Annual Report of the FEDERAL SECURITY AGENCY 1952

FEDERAL SECURITY AGENCY

Social Security Administration

The Annual Report of the Federal Security Agency contains the Administrator's report and the reports of all the Agency's constituent organizations. In addition, the following reports are issued as separate reprints:

- The Administrator's Report
- Social Security Administration
- Public Health Service
- Office of Education
- Food and Drug Administration
- Office of Vocational Rehabilitation
- Saint Elizabeths Hospital

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Social Security Administration

FEDERAL SECURITY AGENCY

Oscar R. Ewing, *Administrator*

SOCIAL SECURITY ADMINISTRATION

Arthur J. Altmeyer, *Commissioner*
William L. Mitchell, *Deputy Commissioner*

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Bureau of Public Assistance
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Robert J. Myers, *Chief Actuary*

Appeals Council
Joseph E. McElvain, *Chairman*

Letter of Transmittal

FEDERAL SECURITY AGENCY,
SOCIAL SECURITY ADMINISTRATION,
Washington, D. C., October 30, 1952.

The Honorable OSCAR R. EWING,
Federal Security Administrator.

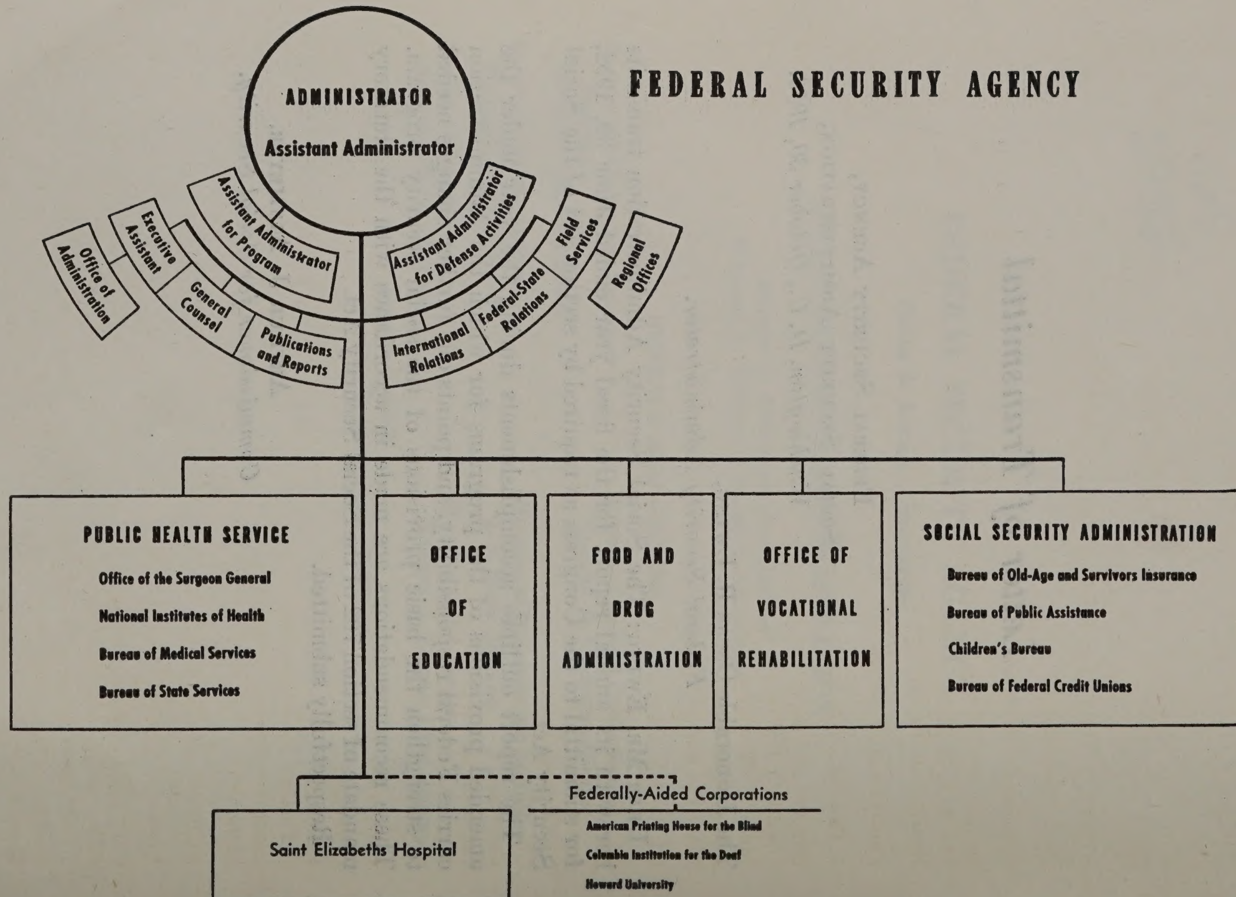
DEAR MR. EWING: The Social Security Administration transmits herewith its annual report for the fiscal year ended June 30, 1952, for submittal to the Congress as required by section 704 of the Social Security Act.

The report outlines accomplishments during the year under the amended provisions of the programs for which the Administration carries Federal responsibility, and points out further changes needed to strengthen the basic provisions of the social security program. These recommendations are made in accordance with the statutory mandate of section 702 of the Social Security Act.

Respectfully submitted.

ARTHUR J. ALTMEYER,
Commissioner for Social Security.

FEDERAL SECURITY AGENCY



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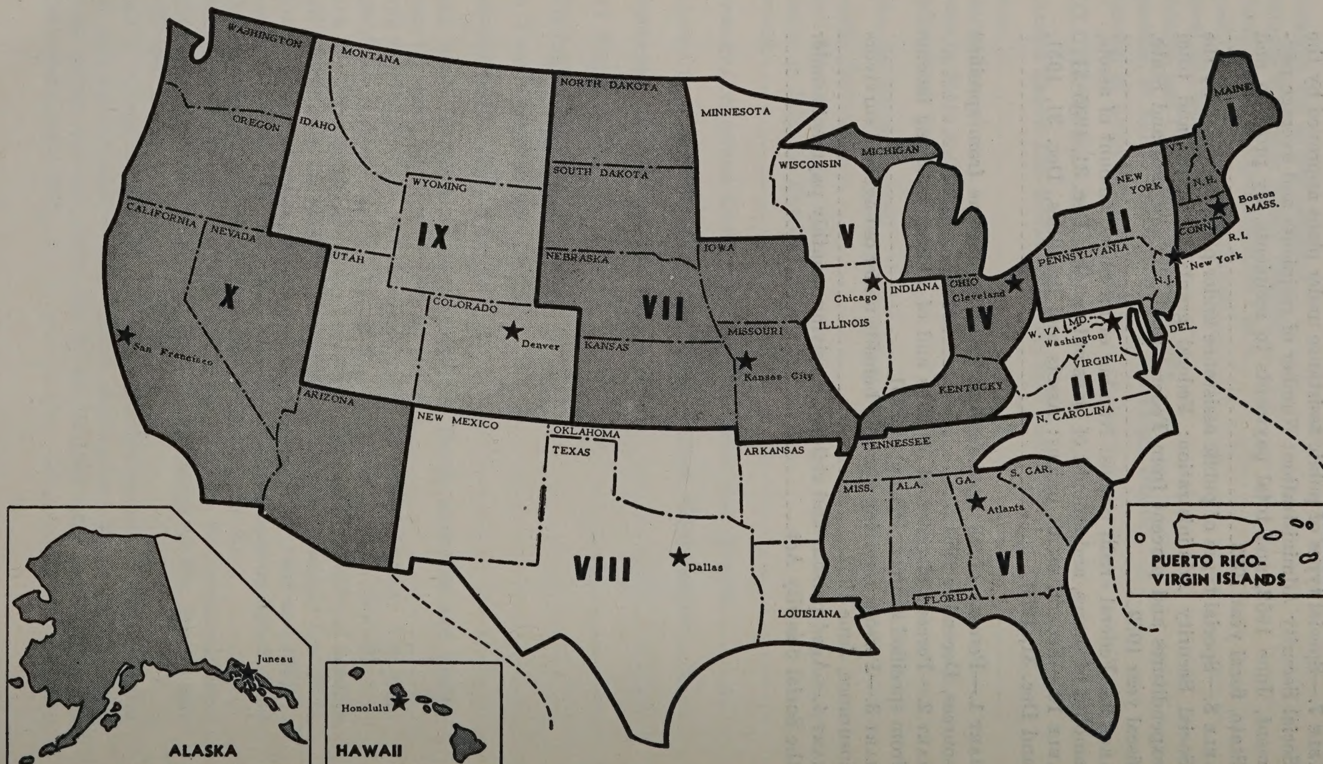


Social Security Administration

Strengthening Democracy's Foundations

In the 17 years since the Social Security Act became law, the social security programs have been a vital force in promoting individual and family security and well-being in the United States. The progress made during the fiscal year 1952 under all the Social Security Administration programs is told in succeeding sections of this report. These programs, which are concerned, actually or potentially, with most of the men, women, and children in the Nation, are old-age and survivors insurance, public assistance, maternal and child health and child welfare services, and the Federal credit union program.

1952 AMENDMENTS

The ability of the programs to meet their goals was further strengthened by amendments passed by Congress on July 5, 1952 and signed by the President on July 18. Benefit amounts in old-age and survivors insurance were increased, to bring them in line with the rise in wages and prices since the outbreak of war in Korea, a rise that the 1950 amendments could not have reflected. Among other changes in the insurance program, Congress increased from $50 to $75 the amount that beneficiaries may earn from supplementary covered employment without having their monthly payments reduced or suspended. An amendment to the public assistance provisions increased for a 2-year period the Federal share in assistance payments to the needy aged, blind, and completely disabled persons and to recipients of aid to dependent children.

In reporting on the amendments, both the House Committee on Ways and Means and the Senate Finance Committee affirmed once

more the intent of Congress to maintain the contributory insurance system, with benefits related to earnings, as the foundation of social security. They pointed out that the present changes in old-age and survivors insurance are all within areas that had been intensively studied before the 1950 amendments were enacted and that, while other amendments to the insurance program are also necessary, the changes made were selected because of their urgency and the widespread agreement on their desirability.

An additional provision that would preserve the insurance rights of covered workers who become permanently and totally disabled before age 65 was included in the bill as enacted but will require additional legislative action before it can go into effect. The action was taken in this form, the Conference Committee report said, to enable possible administrative arrangements to be studied in advance of public hearings on the whole question of disability insurance and assistance, which the committee said would be held early in 1953. It is intended that hearings will also be held on a provision to permit members of State and local retirement systems to be covered under the Federal program, a provision that was considered but not finally included in the 1952 changes.

Economic Security Today

In all societies and all countries, dependent groups in the population—the children, the aged who can no longer work, the sick and disabled—are supported out of the current output of the producing groups—those in the working years. In simple agricultural societies the support is direct, from the product of the land. As agriculture gives way to industry, and food and other necessities have to be purchased, other measures are needed to supplement family support of dependent members.

The standard and level of living and the economic well-being of most individuals and families in the United States are vastly higher now than 100 years ago. The improvement has been due largely to the tremendous increase in national productivity. In 1950, our population was six times greater than in 1850, but our national income had increased about thirty times in constant dollars. The increase in output per man-hour has been accompanied by a reduction in the average hours of work. We not only live longer but we also have more leisure to enjoy the goods and services that invention and technology have made possible—and also a longer period of retirement after we leave the labor force. The tremendous strides in public health and medical knowledge that have increased our average life expectancy have also brought new concepts of health and a progressive development of health facilities and services.

As the economy has expanded, it has become increasingly more complex. A century ago, 85 percent of the population lived in rural areas, and about 7 in every 10 persons in the labor force worked in agricultural occupations. Cash and luxury goods may have been scarce, but families could produce most of the basic necessities through their own efforts. Now, when 3 out of every 5 persons live in or near metropolitan areas, the great majority of the Nation's producers work for wages or salaries, out of which they must purchase food, clothing, and shelter, and meet all the other demands of modern living.

Economic security for most Americans therefore depends almost entirely on an uninterrupted flow of cash income. With high production and full employment, most families are able to meet their current needs out of current earnings. Some are able, in addition, to save enough to weather all but the most catastrophic emergencies. Many families, however, are so close to the margin that they can accumulate no savings to tide them over. Even in these prosperous years, when per capita income is at high levels, at least 1 in every 10 families in the Nation has an annual income of less than $1,000. And when savings can be accumulated, they may be wiped out by a long-continued or expensive illness or other misfortune.

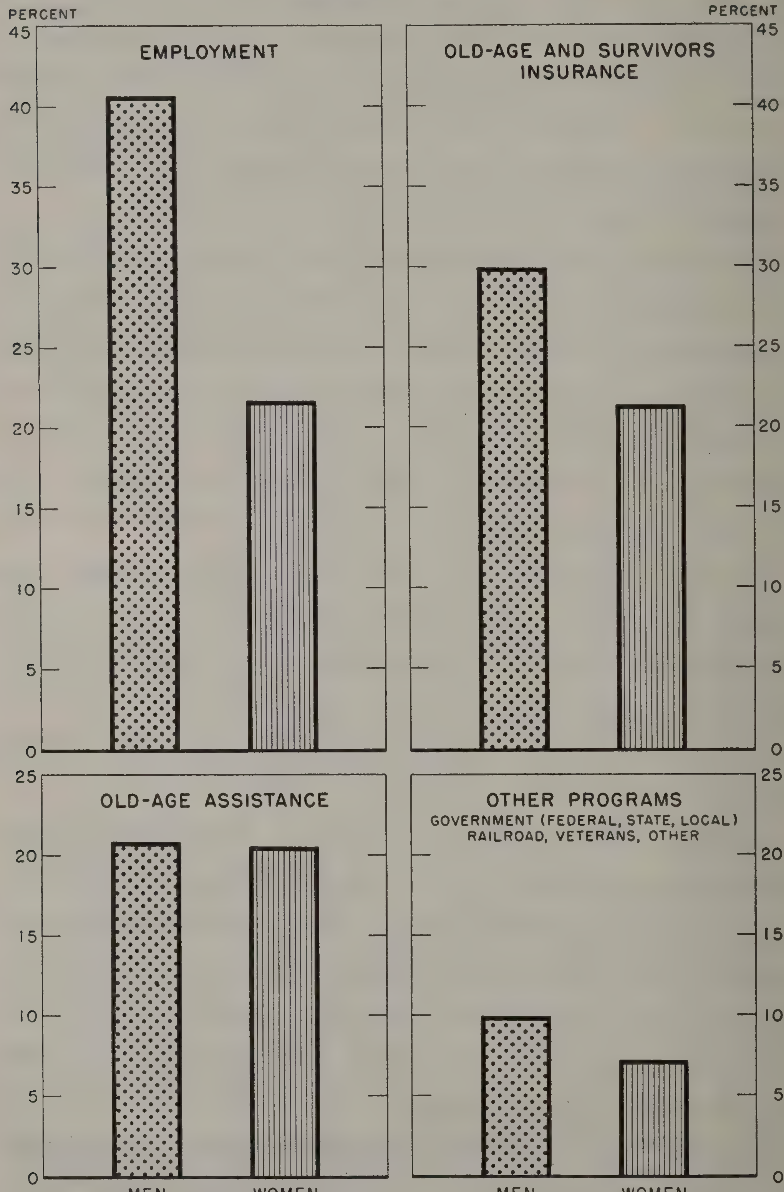
The ability of families to support aging parents and other non-earning adult members has been gravely lessened by the conditions of urban living and the demands on money income. Many aged persons, moreover, have no near relatives on whom they can call for support.

Private philanthropy, important as it is in individual instances, cannot meet the problem of economic insecurity in an industrial society.

Voluntary insurance plans—individual or group—are important supplements to the basic social security measures. They are not adequate substitutes because they are a resource only for economically favored groups. Industrial pension plans cover primarily workers in large plants and financially strong companies. In some of the largest plans the pensions are payable only after long service—usually at least 15 years—with the same employer, and the employee must be in his employ at the time of retirement. The plans do not give basic protection to workers in small firms, self-employed persons, or those who move from one job to another.

Only a system that is organized by society as a whole, acting through government, can provide effective protection for the entire population. Our public social security programs are the solid foundation for such protection. With the assurance and the courage that such a basic foundation gives, each individual can then go on to build, through his own initiative and enterprise, the additional security that will strengthen and augment his own and his family's future well-being.

Chart 1.—PERCENT OF ALL AGED PERSONS RECEIVING INCOME FROM SPECIFIED SOURCES, DECEMBER 1951 [1]



[1] Excludes persons aged 65 and over with no income or with income from sources other than those specified. Some aged persons received income from two or more sources. Percent of women receiving income from employment includes both earners and the wives of earners.

CONTRIBUTORY SOCIAL INSURANCE

Old-age and survivors insurance, with benefits related to earnings, has gained an assured place in our social and political structure because it is in keeping with our democratic foundations and also with our traditions of free enterprise.

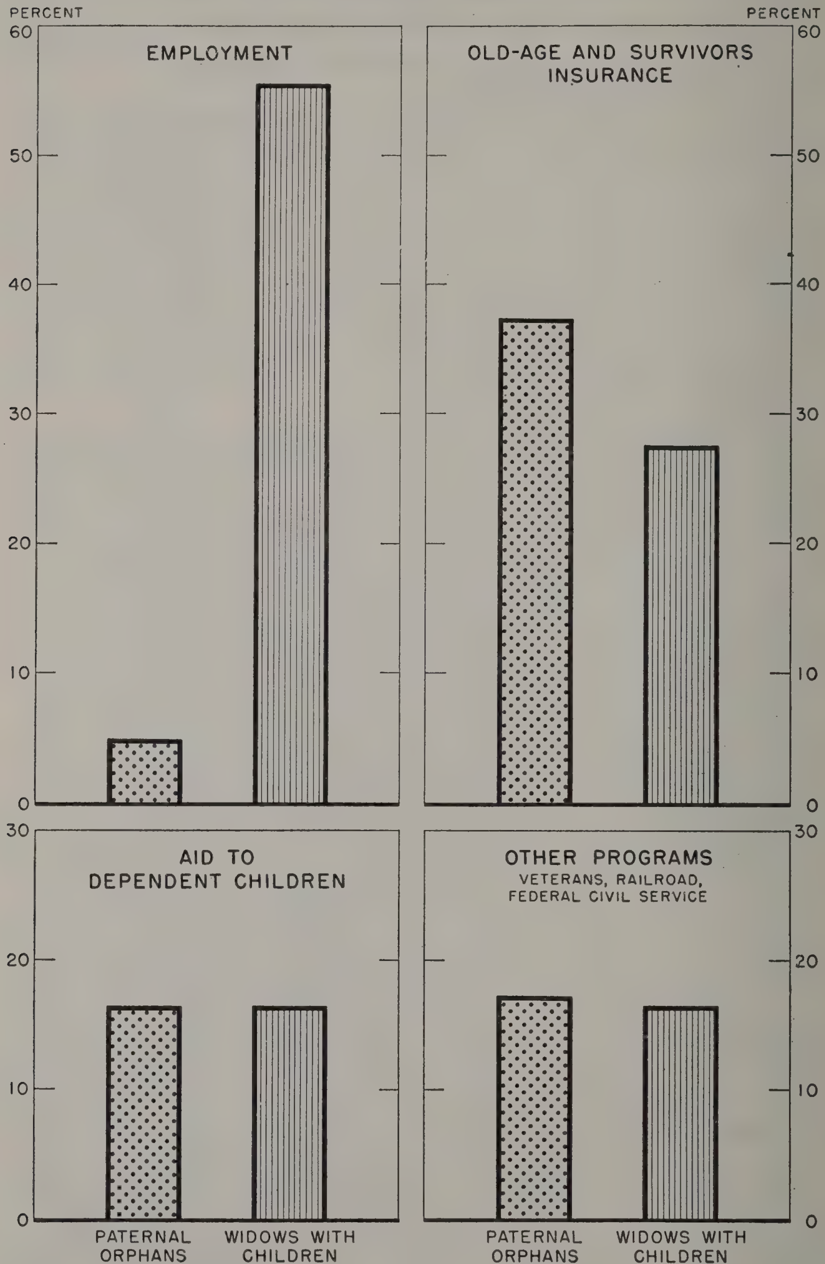
Unlike the uniform flat-pension approach adopted in some countries, both contributions and benefits in the United States system are related to the individual's earnings from covered employment. For social reasons, a larger proportion of the wage loss is compensated for the low-wage worker than for the more highly paid one, but the difference in benefit amounts is still important in giving weight to differentials in wages, salaries, and earnings from self-employment. Moreover, the fact that the benefits are paid without regard to need encourages a worker to acquire additional resources through savings or insurance or other personal efforts.

The increase in the volume of life insurance and annuities purchased during the past decade and a half, as well as the growth in private pension and benefit plans, the increase in home ownership, and the growth of cooperative credit unions and other mechanisms for personal savings are all evidence that the assurance of a reasonable measure of economic security has not weakened individual responsibility or enterprise or lessened the fundamental desire of free people to create a better life for themselves and their families. Social security is an important underpinning but not a substitute for individual effort.

Another characteristic of old-age and survivors insurance differentiates the program from the "pension" systems of some other countries. Old-age benefits are not payable to every insured worker or self-employed insured person as soon as he reaches his 65th birthday. Because benefits are a partial replacement for loss of earnings, they are payable only when a worker retires from covered employment, or after he reaches age 75. For the retired beneficiaries now receiving monthly payments, the average age at the time they became entitled to benefits was 68½ years. If benefits were paid automatically to everyone at age 65, regardless of retirement from substantial covered employment, the cost of the program would be considerably greater than it now is. In 1953 alone, at the present level of benefits, the additional cost would amount to $1 billion. The waiver of the retirement test for persons who are 75 or over is not too costly to the system, since relatively few persons continue working beyond this age.

Concern over the unfairness to the individual and the waste of the Nation's human resources in squeezing out of the labor market the older workers who want and are able to continue actively in productive employment is becoming increasingly widespread. It is recognized that for them, as for other workers, the best economic security is

Chart 2.—PERCENT OF PATERNAL ORPHANS AND OF WIDOWS[1] RECEIVING INCOME FROM SPECIFIED SOURCES, DECEMBER 1951



[1] Under age 65 with 1 or more children in their care.

a chance to work. For those who are no longer able to work or cannot find a job there must be some orderly provision for income maintenance. But neither the growing literature on the problems of aging nor the various studies of insurance beneficiaries made by the Bureau of Old-Age and Survivors Insurance indicate that any substantial number of older persons want to retire from active work at 65. Nor do the beneficiary studies show that the insurance benefits have any great influence in inducing persons to retire at age 65 if they are able to work full-time at their usual jobs. The Bureau's studies have shown consistently that only about 5 in every 100 aged beneficiaries have retired voluntarily while in good health. The other 95 stopped working because they were physically unable to continue or had been laid off and could not find other jobs suited to their capacities.

What the beneficiary studies do not show is what happens to workers below age 65 who become prematurely disabled and no longer able to work. The Bureau of Public Assistance during the year made a study of persons receiving aid to the permanently and totally disabled. Half of them were under 56 years of age, and about 15 percent of the entire number were under 40. Four in every 10 had been disabled for at least 10 years. Unless old-age and survivors insurance is amended to permit a flexible retirement age before 65 years for workers who are forced to withdraw from the labor market because of total and permanent disability—as is provided for railroad workers and Federal employees, and in many industrial pension plans—the insurance system is not giving the full protection that it should and can give.

THE ROLE OF PUBLIC ASSISTANCE

When the Social Security Act was passed it was clear that, until the insurance system got well under way, public assistance would have to carry the major share of support for the needy aged and blind and for children deprived of parental care and support. With extension of coverage under the 1950 amendments and liberalization of eligibility requirements, the insurance system has begun to assume the major role of income maintenance for the aged and for families whose breadwinner has died (charts 1 and 2). But so long as coverage remains limited, and even after complete coverage is attained, the assistance program will remain a major resource for needy persons who have not had an opportunity to acquire insurance protection, and a source of supplementary assistance for those whose insurance benefits and other resources are not sufficient for their basic needs.

Two other important factors affecting the size of the assistance rolls are the continuing increase in the number of aged persons in the population and, as a result of the recent rise in the birth rate, the large increase in the number of children. Both factors have increased the

size of the two major dependent groups from which most assistance recipients come.

The public assistance provisions established the Federal Government as an active partner with State and local governments in providing assistance to needy dependent groups. Through the partnership, State and local governments have been able to meet need more nearly adequately. The increase in adequacy has been accompanied by a parallel increase in awareness of and emphasis on the value of constructive services. Through the sometimes slow but constantly continuing process of rebuilding hope, initiative, and independence, the public assistance programs are working toward the goal of helping the individual to help himself and to take his rightful place as a responsible member of the community and the Nation.

The participation of the Federal Government has not led to concentration of administrative authority in the Federal Government. One of the values of the grant-in-aid device is that the Federal Government can provide financial support for a program and leave to the State government the responsibility for administering the program. Thus, while the Federal share of assistance payments throughout the country increased from 13 percent in 1936 to 48 percent in 1951, the administration of the program in each State has remained with the State government. Within the broad limits set down in the Federal act to protect the national interest by ensuring minimum State standards throughout the Nation, each State has been free to adopt the kind of program its people wanted and to determine the amount of Federal money it wished to accept.

Another provision of the Social Security Act—that the State, to receive Federal grants, must designate a single State agency to administer or supervise the administration of its plan and that the State plan must be in effect in all political subdivisions of the State—has also resulted in greatly strengthening State administrative agencies as well as the local assistance agencies. Today, in contrast to the situation in the early 1930's, there are active departments of public welfare in each State and in almost all of the 3,187 counties throughout the Nation.

For many States, and certainly for most local units of government, the first real impetus to establish civil service systems came from the Federal requirement that personnel must be selected on a merit system. In 1935, only nine States had civil service provisions. The benefits resulting from the merit system, in improved tenure, reasonable classification and compensation, and freedom from political pressures, have been felt not only in public assistance administration but in other areas as well. The Social Security Administration believes that the best way to make sure that only needy persons receive public assistance is efficient administration of the eligibility provisions by an adequate and

well-qualified staff. From the very beginning, the Administration has stressed the importance of trained personnel and has encouraged the use of educational leave, in-service training, and other methods to help public assistance workers improve their qualifications and do a better job.

HEALTH AND WELFARE SERVICES FOR CHILDREN

One of the basic values of a democratic society is concern for the well-being of the individual members of the society. In the past two decades we have seen a growing awareness of the interrelationship between economic insecurity and social maladjustment, and of the necessity of bringing together all the resources of a highly organized economy to promote the well-being of all individuals and all families.

The interrelationship of economic and social factors as they affect the welfare of children—economic insecurity of the family, lack of good educational opportunity, inadequate space for play and suitable recreation, lack of understanding by parents of children's needs—all may contribute to ill-health and social maladjustment. Promoting positive well-being calls for the cooperative effort of many people—families, neighbors, professional workers, the young people themselves, and a wide variety of agencies, both voluntary and governmental.

The maternal and child health, crippled children's, and child welfare grants are provided to enable the States to extend and improve both State and local health and social services for children. One of the strengths of these grant-in-aid programs is that they recognize the democratic principle that the best way to develop services for children is to move ahead when and where people are ready to go, and not to attempt to mold all areas of the Nation, each with its different cultural, economic, social and health problem, to one pattern.

Increasingly over the years the focus of children's services has shifted from concern for special groups of disadvantaged children—in which this country has been a well-recognized pioneer—to concern that all children in the Nation shall have the opportunity to develop the mental, emotional, and spiritual qualities necessary to individual happiness and responsible citizenship. Similarly, we are coming to see the value of and need for constructive community welfare services for adults and for families as a whole.

Program Administration in 1952

To carry out its responsibilities for the Federal aspects of its various programs, the Social Security Administration had a staff totaling 14, 814 persons in June 1952, of whom 6,075 were in the departmental and

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8,739 in the field, regional, and area offices. Through constant attention to management improvement techniques and devices, including more closely relating the performance budgeting and work planning processes, the Office of the Commissioner and the program bureaus, with no increase in personnel, met heavier workloads and tried to maintain long-established standards of operation. Emphasis on coordinated operations and joint consideration of problems that concern more than one program was stepped up during the year. Similarly, staff members participated on request in various inter-Agency and interdepartmental committees.

Cooperation continued with the Federal Civil Defense Administration in working out the place and function of public welfare in the civil defense program, in providing technical assistance in developing basic policies, and in working with committees. Of the several task forces set up by the National Security Resources Board, the Administration carried major responsibility for the program subcommittee of the task force on income maintenance and gave consultation in connection with housing and community facilities.

Increasingly the Administration has been called on to share its knowledge and skills with other nations through the international social welfare programs. The Commissioner for Social Security, as United States Member of the United Nations Social Commission, and the Director of the Bureau of Public Assistance, as alternate Member, assisted in the Commission's review of the significant first report on world social conditions, which stressed the need of freeing peoples in many parts of the world from poverty, disease, and ignorance if they are truly to play a part in building a free and united world. The report also highlighted the needs met by national and international technical assistance programs.

Under the United States technical assistance programs the Administration continued to provide observers and trainees from all over the world with technical training in social welfare, social insurance, maternal and child health and welfare, and consumer credit cooperatives.

An increased number of American technicians were called overseas to provide technical help in establishing and strengthening social welfare programs. By the end of the fiscal year the Administration had received requests for technicians to service in 18 countries: Bolivia, Brazil, Chile, El Salvador, Haiti, Mexico, Panama, Paraguay, Peru, Venezuela, Egypt, Iraq, Israel, Lebanon, Turkey, India, Pakistan, and the Philippines. Technical staff also took part in several important studies, such as the United Nations community center study, an analysis of successful experiments in local participation in the establishment of basic community services in various countries.

In all phases of its international activities the Administration found increasing opportunity for cooperation with voluntary agencies.

During the year it established an advisory committee, including representatives of several voluntary agencies, to consult with the Administration staff on its international activities. Through such arrangements the American social welfare organizations, both public and voluntary, are making maximum use of the technical knowledge and skill that this country has to contribute in the field of international social welfare.

A Program for the Nation

We have in our present social security programs the firmly established foundation on which to build complete basic protection against the hazards of income loss that was envisaged when the Social Security Act was passed. The provisions included in that pioneering legislation were admittedly incomplete. Over the years the programs have been broadened considerably. But until all workers in the Nation have basic protection and until that protection extends to the other major causes of economic insecurity, the programs fall short of the promises and potentialities of a vigorous democracy.

The most serious failure is the lack of adequate protection against income loss from disability and of insurance against the costs of good modern medical care. There is now widespread agreement that most families cannot budget individually for major medical expenses and that those costs must be distributed among groups of people and over periods of time. The growth of voluntary medical and hospital insurance plans and the recent development of employee-benefit plans are evidences of the widespread demand for the benefits of modern medicine and for adequate protection against medical costs. These voluntary plans have brought valuable insurance to many people, but the plans do not provide comprehensive benefits and, despite their growth over the past few years, in 1951 they met only about 13 percent of all private expenditures for medical care and of the income lost because of nonoccupational illness during the year.

The Social Security Administration, in line with its responsibility for studying and making recommendations concerning the most effective methods of providing economic security through social insurance, has studied continuously the growing problem of, and the many proposals for, prepaying the costs of good modern medical care. The report to be made at the end of 1952 by the President's Commission on the Health Needs of the Nation should throw additional light on the problem. Pending that report, however, the Administration reiterates its conviction that a Nation-wide system of medical care insurance is the most effective and economical method of removing the economic barrier to prompt and adequate medical care for the whole population.

During the past decade and a half our social security programs have strengthened the foundations of our democracy. To strengthen the Nation still further to meet the challenge that all free nations face, now and in the days to come, the Social Security Administration presents the following recommendations for social security for all the Nation.

A comprehensive, basic Nation-wide system of contributory social insurance remains our first objective. Social insurance is an orderly and equitable method of assuring continuing income to families whose earnings are interrupted by unemployment, sickness, disability, retirement, or death of the breadwinner, and of insuring families against the costs of medical care. Our old-age and survivors insurance and unemployment insurance programs are giving basic protection against wage loss due to old age, unemployment, or death of the family earner. The need for protection against wage loss from sickness and disability, and for insurance against the costs of good, modern medical care—costs that are unpredictable in the individual case—is equally imperative and equally possible through social insurance. A Nation-wide system, covering all the major risks and all employments, is the most effective and the most economical method of providing basic protection for all our people. Such a system can and should be administered on a decentralized basis. Because the cash benefits are related to the individual worker's earnings and because they are paid without regard to other resources, social insurance encourages the individual to build additional security and a better life for himself and his family.

A public assistance program able to meet satisfactorily needs that cannot be covered by social insurance is an essential part of the social security program. Cash payments and services, financed from Federal and State funds, should be available to any needy person in the United States, whether the need arises from old age, blindness, disability, lack of parental care, or other cause, and should be available irrespective of the place of residence.

Health and welfare services for children need to be expanded so that, when public and private resources are considered together, the services may become available to all children in all parts of the country. Current services should be supported and strengthened by research in child life to guide the development of future services.

Federal credit unions, with their emphasis on self-help and individual thrift, can supplement the social security programs by making it possible for more families to increase their individual security.

Legislative changes that would help achieve the broad objectives outlined above are discussed more fully in succeeding sections of the report. In summary, the recommendations are as follows:

OLD-AGE AND SURVIVORS INSURANCE

The insurance program should be extended to cover farm operators and professional self-employed persons and additional farm and household workers.

Coverage for employees who are members of State and local government retirement systems should be permitted on the same basis as coverage for other State and local employees.

For groups now covered under Federal retirement systems—members of the uniformed services, Federal civilian employees, and railroad workers—arrangements should be worked out so that individuals who shift from one type of employment to another will have continuous basic protection under old-age and survivors insurance and so that the general level of protection furnished the career employee is maintained or improved.

The maximum of creditable earnings that count toward benefits should be raised above the present $3,600 a year.

The "average monthly wage," on which benefits are based, should be computed over the 5 or 10 consecutive years of highest earnings.

The principle that benefit amounts should be increased for each year in which an individual has worked in covered employment should be restored.

The benefit formula should be revised to increase the percentage applicable to monthly earnings above the first $100.

In order to ensure the best use of the funds available for the insurance program, benefits should not be paid in general to individuals who do not meet a reasonable test of retirement from full-time covered work. The amount of monthly earnings used as the test of retirement, however, could be increased above the present $75.

The insurance system should provide for more flexible retirement provisions by permitting individuals who are permanently and totally disabled to receive benefits prior to the normal retirement age; lowering the age of eligibility for women to 60; and increasing benefits for each year for persons working in covered employment after age 65.

Hospitalization insurance benefits (up to 60 days a year) should be provided for persons aged 65 and over (and their dependents) who are insured under the program—those already drawing benefits and those who have not yet applied for them—and for the widows and children of deceased insured workers.

DISABILITY INSURANCE

A comprehensive Federal system of social insurance should be established to protect against loss of earnings due to disability. Coverage, eligibility conditions, and administration should be geared in general to the old-age and survivors insurance program. Benefit amounts during periods of temporary disability should be adjusted to

current weekly wages and during periods of permanent disability should be geared to old-age and survivors insurance benefits. The insurance provisions should be coordinated with Federal-State vocational rehabilitation and health programs.

MEDICAL CARE INSURANCE

A comprehensive Nation-wide system of medical care insurance should be established, including payments for services furnished by physicians, hospitals, dentists, nurses, and laboratories, and for expensive prescribed medicines and appliances, with provision for free choice of doctor and patient and for decentralization of administration by administration through the States.

PUBLIC ASSISTANCE

The Federal share of the cost of public assistance, including the money payment, the vendor payments for medical care, and administrative costs, should be related to the fiscal ability of the State.

To improve and simplify the financing of medical care given by States, the present individual maximums on Federal matching funds should be changed to an average amount per recipient or, alternatively, the Federal share in payments made by the State for medical care on behalf of assistance recipients, up to a specified maximum, should be determined separately from, and in addition to, the money payment within the present maximums.

Aid to disabled persons, now limited to those who are totally and permanently disabled, should be broadened to include all needy persons whose disabilities seriously interrupt their productive activity, including that of homemaking.

The Social Security Act should be extended to include Federal participation in assistance given by a State to any needy person.

States with limited fiscal resources should receive a relatively higher proportion of Federal funds for the cost of administration, either through the provision for variable grants recommended above or some other method.

The legislation opening the assistance rolls to public inspection should be repealed.

A small appropriation should be made to the Federal Security Agency with authority to use these funds to extend and strengthen facilities to train personnel for State and local public assistance administration.

Residence requirements in existing federally aided programs should be prohibited or at least be reduced to a maximum of one year, and should not be permitted in programs for other needy persons, if grants for such programs should be authorized as recommended.

Also, State citizenship requirements should be prohibited in all federally aided programs.

The Federal share in assistance payments in Puerto Rico and the Virgin Islands should be increased within the existing maximums on individual payments applicable to both jurisdictions, and the dollar limitation on the total Federal grant should be removed.

The authority now included in the Social Security Act to study the most effective methods of providing economic security should be extended to include authority to make grants to States, universities, and qualified individuals to conduct research that would contribute to meeting more effectively the problems of dependency.

MATERNAL AND CHILD HEALTH AND CHILD WELFARE SERVICES

The full amounts authorized under the Social Security Act for grants to States for maternal and child health and crippled children's programs and child welfare services should be made available.

Methods should be developed to assure essential child health and welfare services to children of migratory agricultural workers.

States need the help of the Federal Government in improving their services for prevention and control of juvenile delinquency, the services to be coordinated or integrated with State and local child welfare services and other services for children.

The States whose maternal and infant mortality rates are higher than the national average should receive special help and attention so that they may make an all-out attack on the problem.

To maintain a high quality of service in the child health and welfare programs, the number of adequately trained personnel needs to be increased. Funds should be appropriated to the Federal Security Agency with authority to use those funds to extend and strengthen facilities to train personnel for State and local child health and child welfare services.

An expanded program of research, including authorization for grants to universities, research institutions, and individuals, is needed to provide a sound base for effective health and welfare services for children.

Old-Age and Survivors Insurance

At the end of the 1952 fiscal year the old-age and survivors insurance program had been in operation for 15½ years. The program has come to be recognized as a basically American institution, in harmony with the American way of life. It has provided an orderly method whereby gainfully employed people can contribute toward their own security and that of their families. Because benefits are

related to income from work, individual effort and initiative are rewarded; because they are paid without regard to other resources, the people covered by the program are encouraged to save individually to enhance their personal security.

The program now covers 4 out of 5 of the Nation's paid civilian jobs. Practically all our citizens have a direct interest and stake in its future. Increased public awareness of the significance of old-age and survivors insurance is reflected in the congressional action to improve the program in 1952. The most important changes were those that increased benefit amounts, liberalized the retirement test, provided wage credits for military service after World War II, and, for purposes of study and consideration, set forth a method of preserving the insurance rights of permanently and totally disabled persons. As important as the amendments themselves was the growing recognition that the insurance program must, in the words of the Committee on Ways and Means of the House of Representatives, be kept "in line with major changes in economic conditions." Further congressional consideration of the program is scheduled for early 1953.

The Significance of the Program

BENEFICIARIES AND BENEFIT AMOUNTS

In June 1952 about 4.6 million people were receiving benefits under the program. Some 3.5 million of these beneficiaries were aged 65 and over—2.4 million of them retired workers and 1.1 million the wives and dependent husbands of retired workers and the widows, dependent widowers, and dependent parents of workers who had died. Of the remaining 1.1 million, some 200,000 were young widows and 900,000 were children.

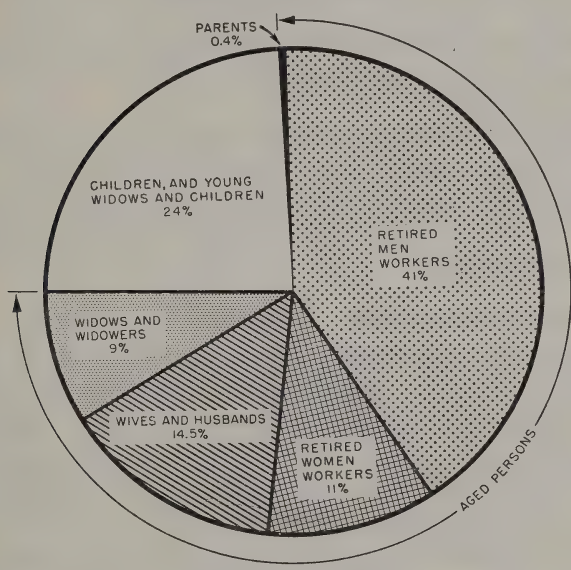
The benefits paid to these people were modest in amount. In June 1952, the average insurance benefit paid to a retired worker who had no dependents also receiving benefits was $43.20. When the worker and his wife both received benefits, the average for the family was $70.10. Families consisting of a widowed mother and two children averaged $93.80.

These figures do not, of course, reflect the benefit increases provided in the 1952 amendments, which went into effect with benefits for the month of September; nor do they reflect the generally higher benefit amounts that will be paid in cases where the worker has had 6 quarters of coverage (roughly 18 months of covered work) after 1950. Taking both of these factors into account, it is expected that benefits awarded to a retired worker and wife who come on the rolls in the fiscal year 1953, for example, will be somewhat more than $100 a month.

THE ECONOMIC STATUS OF BENEFICIARIES

In a Nation-wide survey made in the fall of 1951, the Bureau of Old-Age and Survivors Insurance interviewed more than 17,000 retired workers and aged widows who had received insurance benefits in all 12 months of the year preceding the interview. This group, which comprised 90 percent of the beneficiaries included in the survey, is of special interest because these beneficiaries met the retirement test of the program throughout the year; that is, they had not earned more than $50 in any month in covered employment.

Chart 3.—PERSONS RECEIVING MONTHLY BENEFITS UNDER OLD-AGE AND SURVIVORS INSURANCE, JUNE 1952



Percent for wives and husbands includes about 31,000 wives under age 65 with child beneficiaries in their care.

For almost two-thirds of the beneficiaries, the benefits were the only significant source of independent retirement income. Without the benefits, only 13 percent of the single beneficiaries would have had retirement income amounting to $600 or more for the year, and only 13 percent of the couples would have had retirement income of $600 or more per person. (This retirement income included employer and union pensions, veterans' pensions, private annuities, and income from trust funds, rents, interest, and dividends.) With the benefits, 37 percent of the beneficiaries had as much as $600 per person for the year.

Relatively few beneficiaries had employer and union pensions—only 1 in 5 of the men, 1 in 8 of the retired women, and 1 in 50 of the

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aged widows. About one-fourth of the men, one-fifth of the retired women, and one-eighth of the aged widows had some earnings during the year, but for the most part the earnings were small. This result was to be expected, of course, since all these beneficiaries met the retirement test of the program throughout the year. Sixty-five percent of the retired men, 70 percent of the retired women, and 80 percent of the aged widow reported that they were unable to work. Seventeen percent received public assistance payments at some time during the year.

In addition to money income, many beneficiaries had other resources. About 40 percent shared households with relatives or friends; others had noncash income such as garden produce or free housing or meals. Almost half the beneficiaries owned their homes—though 1 in every 6 was mortgaged. Most beneficiaries had liquid assets such as cash, bank deposits, and stocks and bonds, but only 41 percent had as much as $500 in such assets.

Although the monthly benefit was small in amount, for a large majority of the beneficiaries it was a critical item of income. To some it spelled the difference between hardship and reasonable security; to many it was the one substantial element of independence and self support that remained.

THE PROTECTION PROVIDED

Some 89 million people living on January 1, 1952, had worked in covered employment and contributed to the program at one time or another during the first 15 years of its existence. About 7 out of every 10 had enough wage credits to be fully insured under the program; for 1 out of 4 the insurance protection was permanent.

Of the 13.2 million people aged 65 or over in the United States in June 1952, 4.1 million were working or married to men who were working. Probably 1.6 million of them can now count on receiving monthly benefits under old-age and survivors insurance and an additional 400,000 will have retirement protection under other Government programs when their income from work stops. Of the population under 65 years of age, 59 million were insured under the program at the beginning of the calendar year 1952. Some 19 million of these people were permanently insured—that is, whether or not they continue to work in covered jobs they will be eligible for benefits at 65 and their families are assured of protection in the event of their death. An additional 40 million were insured but would have to continue in covered work for an additional period to make their insured status permanent. Four out of five of the mothers and young children in the Nation were assured that they would receive monthly benefits if the father or working mother of the family died.

COVERAGE

It is expected that during the calendar year 1952 about 60 million people will make contributions toward their insurance protection. The program now covers about 80 percent of the Nation's paid civilian jobs. An additional 7 percent are covered by retirement systems of Federal, State, or local governments. About 13 percent of the Nation's gainful workers—most of them farmers, self-employed professional people, or farm or household workers who are not regularly employed by a single employer—have no coverage under any public retirement program.

CONTRIBUTIONS AND DISBURSEMENTS

Benefit payments during the fiscal year amounted to $1,982 million; with administrative expenses of $85 million, the total outgo amounted to $2,067 million. Contributions totaled $3,594 million, payments to the trust fund from the general funds of the Treasury to meet the cost of benefits attributable to World War II service were $4 million, and interest received on investments was $334 million, bringing total receipts to $3,932 million. The difference of $1,865 million represents the increase in the trust fund during the year. At the end of June 1952, the fund totaled $16.6 billion held and invested for the benefit of the contributors to the program.

On June 30, all assets of the fund, except $327 million held in cash, were invested in United States Government securities as required by law; $2.2 billion was invested in public issues (identical with similar bonds owned by private investors), and $14.0 billion was invested in special certificates of indebtedness bearing interest at the average rate paid on the total interest-bearing Federal debt at the time they are issued. The average interest rate on all investments of the trust fund at the end of the year was about 2.3 percent.

ADMINISTERING THE PROGRAM

The Bureau's workload in the fiscal year 1952 was 1.5 percent greater than in 1951. The cost of administering the program, including costs incurred by the Treasury Department for the collection of social security taxes, was about $85 million, only 2.4 cents of each dollar of contributions collected. Administrative costs within the Federal Security Agency were approximately $61 million, or 1.7 cents out of each dollar of contributions.

The first reports of self-employment income made by self-employed persons newly covered under the program by the 1950 amendments were received in the Bureau toward the end of the 1952 fiscal year. These reports reflected good results in imparting public understanding of a completely new program provision.

Coverage of State and local government employees presented a new experience for the Bureau in terms of relationships with State governments, and involved the study and resolution of novel legal and policy questions. The building up of mutual cooperation is illustrated by an invitation extended by one State to the Bureau staff to survey and advise on State records and processes.

In the other new coverage groups, the misunderstandings that were to be expected, and resulting operating difficulties, were gradually corrected. An active informational program contributed much to this accomplishment.

Considerable numbers of potential claimants delayed the filing of claims applications until after June 1952 to take full advantage of the new computation formula under the 1950 amendments. It was anticipated that this would result in a sharp peak in claims receipts during the months of July and August, and careful advance attention was devoted to planning work flows, vacation schedules, and overtime so as to ensure that the new claims would be certified for payment in the shortest possible time.

The Bureau was faced with double handling in a great many claims cases in which the claimant would not obtain the full benefit of the new formula unless he filed two applications—one for an initial benefit and a later one for a recomputation of that benefit. It was estimated that the extra handling would cost more than $1.3 million. After study of the situation, a technical provision was recommended to Congress and included in the 1952 amendments which permitted the full benefit to be awarded on the first application.

MANAGEMENT IMPROVEMENT ACTION

Behind the Bureau's record of minimum costs is a continuing emphasis on management improvement. Savings which the Bureau is able to achieve through work simplifications are illustrated by action taken during the 1952 fiscal year to make monthly payments to children in the same family unit by single check instead of by issuing a separate check to each child who is legally eligible. Savings to the trust fund as a result of this action are expected to amount to $250,000 in the next fiscal year, and to increase as the number of child beneficiaries continues to grow. Savings will also accrue to the Treasury Department, the Post Office Department, the Federal Reserve Banks, and the General Accounting Office.

A new wage record certification method will be installed shortly after January 1, 1953. This method will reduce to a minimum detailed checking of wage records back to 1936. Savings are estimated at $50,000 a year and could well exceed $100,000. The Bureau's study of the possibility of extending the application of electronic equipment

beyond its present usage is continuing. This study holds the possibility of very large savings at some time in the future.

The development of personnel and the maximum use of their capacities is a major management objective. An important step in this direction is a project to group all Bureau positions requiring similar qualifications in a "job family." To date, three job families have been developed covering 4,908 Bureau positions; six additional groupings should complete this project. Such groupings, which facilitate the movement of employees among positions throughout the Bureau, should prove of great value in the long-range development of career staff.

At the same time, work has been almost completed on the establishment of a Bureau-wide intern program designed to broaden the knowledge, experience, and perspective of employees. This will be accomplished by providing rotating assignments throughout the Bureau for employees who can best utilize the opportunity for a different type or level of work experience.

A marked increase in activity under the Bureau's Employee Awards Program has been accomplished. During the fiscal year $5,280 was paid in cash awards to employees for suggestions that resulted in measureable savings of $138,192. In addition, a total of $15,605 in annual salary increases was paid to employees for notably efficient performance.

Adequate space for the Bureau continues to be a problem. The major recordkeeping operations are on two shifts because of lack of space. The Bureau is dispersed in six separate buildings in Baltimore, when for best results its operations should be under one roof. In accordance with authorization granted by Congress, the Bureau has arranged with the General Services Administration to prepare preliminary plans, specifications, and cost estimates for a building. It is planned to submit a request for funds for 1954 to acquire a site for a building and begin construction.

Improving the Program

COVERAGE

Old-age and survivors insurance now covers about 80 percent of the Nation's paid civilian jobs. Yet a great many people—those who will spend all or part of their working lives in the remaining 20 percent of the jobs—will not have any protection or will have less than full protection under the program. Old-age and survivors insurance can be fully effective only if virtually all gainful employment is covered.

About 13 percent of the Nation's paid civilian jobs are not covered by any public retirement system. Most of the people in these jobs are farmers, farm or household workers who are not regularly employed

by a single employer, or self-employed professional people. People in these groups who have significant earnings should be covered by old-age and survivors insurance as soon as possible.

Farm operators continue to be the largest occupational group without the protection of any retirement system. Yet the risk that old age or premature death will deprive a farm family of vital earning power is comparable to the risk for a city family. Because of the higher proportion of older workers and the larger families among farm people, the impact of old age or the premature death of the breadwinner may be even greater for farm families as a group than for people in other occupations. Coverage of the 3.4 million farm operators having annual net earnings of $400 or more from their farm self-employment would present no special problem and should not be further delayed.

Farm workers as a group have only limited protection under the program because of restrictive coverage provisions; many have none at all. A farm worker, to be covered, must work for a single employer regularly and for a considerable period. The worker must first serve a "qualifying quarter"—that is, he must be continuously employed by a single employer during the entire quarter. He is then covered in succeeding quarters if he works full time for that employer on 60 days during the quarter and is paid at least $50 in cash. The present provision should be changed to a simple cash wage test, eliminating the requirement that the farm worker must work for one employer for any extended period before he can be covered; this provision would bring about 900,000 additional farm workers under the program.

Domestic workers must also meet a restrictive test of regularity of employment in order to be covered. A household worker is not covered unless she works for a single employer on each of 24 days during a quarter and is paid at least $50 in cash for that work. The only requirement for coverage should be a specific cash-wage test. Elimination of the 24-day test would bring about 120,000 additional household workers under the program.

Self-employed people in certain professions were not brought into the program in 1950 because Congress was not sure that they wanted to be covered. Since that time, interest in old-age and survivors insurance protection has been increasing among self-employed professional people. About 500,000 self-employed professional people with $400 or more of annual net earnings from their professions are now excluded. The desirability of old-age and survivors insurance coverage for self-employed professionals will undoubtedly be reexamined by national organizations of the several excluded groups.

Clergymen also are not covered either by old-age and survivors insurance or by any other public retirement system. Special provisions contained in the 1950 amendments permit coverage of lay employees of religious, educational, and similar nonprofit organizations at the op-

tion of the employees and the employing organization. A number of religious organizations and many more individual clergymen of several denominations have urged that old-age and survivors insurance coverage be made available to clergymen. About 200,000 clergymen are now excluded. The Social Security Administration has felt that the wishes of religious organizations should be controlling in determining whether clergymen should be covered. Consequently, while it has not urged such coverage, the Administration would favor making coverage available for clergymen, on the same basis as for lay employees of nonprofit organizations, if there is a general feeling among religious organizations that clergymen should be covered by the insurance program.

Almost 4½ million paid civilian jobs are covered by other Federal or by State or local government retirement plans (exclusive of the railroad retirement program, which is partially coordinated with old-age and survivors insurance). These systems are designed mainly for the person who spends most of his career in employment covered by one system. Yet there is a very considerable movement of workers into and out of these systems. In 1950, when there were on the average about 2 million Federal civilian employees, more than 600,000 were hired and upwards of 400,000 left Federal jobs.

As a result of this shifting from job to job, many workers do not remain under any one system long enough to acquire retirement benefit rights. Survivor protection is interrupted or lost. In some cases, an individual qualifies under two or more systems. To avoid these undesirable and capricious situations, arrangements should be made for coordinating the protection afforded by old-age and survivors insurance and by the various public retirement plans so that employees who shift between jobs will be assured of continuous basic protection, while career employees retain total protection at least equal to what they now have.

There is considerable evidence of a growing public concern with this problem. This concern, and the resulting increased interest in old-age and survivors insurance coverage for these people, is reflected in recent legislative action and consideration.

Most significant were the amendments to the Railroad Retirement Act adopted late in 1951, which provide, in effect, for joint coverage of railroad employees by the railroad retirement and old-age and survivors insurance programs. Under these amendments, contributions covering all railroad employment after 1936, at the old-age and survivors insurance rates, will in effect be transferred from the railroad retirement account to the old-age and survivors insurance trust fund. In all cases in which the worker has less than 10 years of railroad employment at the time of his death or retirement, and in some survivor cases in which the worker had 10 years or more of railroad employ-

ment, railroad wages are credited towards old-age and survivors insurance benefits. In all other cases there will, in effect, be transferred from the trust fund to the railroad retirement account an amount equivalent to the benefits which the old-age and survivors insurance program would have paid based on the railroad wages if the latter had been creditable under that program. Thus in every case in which an individual has railroad employment after 1936, the old-age and survivors insurance program will in effect receive contributions on that employment and pay whatever benefits would result from that employment, either direct to the individual or to the railroad retirement account.

In cases where the equivalent of an old-age and survivors insurance benefit is due the railroad retirement account, the railroad program will pay benefits. In the over-10-year survivor cases which the railroad program pays, the benefit will be based on both railroad and old-age and survivors insurance earnings. In the over-10-year retirement cases, the railroad program will pay a benefit based only on railroad earnings, and the individual will receive a benefit from the old-age and survivors insurance program also if he meets the insured status requirements of the latter program. In the under-10-year retirement cases, the worker will receive only an old-age and survivors insurance benefit; he will receive that, of course, if his railroad wage credits, and any old-age and survivors insurance credits he may have, together meet the qualifying requirements for old-age and survivors insurance.

While there are disadvantages to this rather complicated method of coordination, it has in general improved the protection provided for railroad workers. Benefit losses through shifts on employment and duplication of benefits have been reduced. Further study of the relationship between the two programs was authorized by the Eighty-second Congress.

Congress also gave further attention to the problem of maintaining the insurance protection of servicemen who do not make a career in the Armed Forces and therefore have no protection under the service retirement systems. In 1950, Congress had provided wage credits under old-age and survivors insurance for military service in World War II; in the 1952 amendments, wage credits were provided for post-war military service. Since the period of creditable military service extends only through 1953, however, this measure does not meet the long-term need to maintain the protection of servicemen. This need should be met on a systematic and permanent basis by bringing the Nation's 3.5 million servicemen under the regular contributory coverage of the old-age and survivors insurance program.

Another significant development came in 1952 when Congress directed the Executive Branch of the Government to make a study of retirement systems for Federal civilian employees and members of the

Armed Forces, including the relationship of these systems to old-age and survivors insurance. A detailed examination of this relationship may well produce the answer to the problem of more nearly adequate protection for the Federal worker. The Social Security Administration believes that the most desirable arrangement is one that would give the Federal worker basic protection under old-age and survivors insurance and supplementary protection under a Federal staff retirement system.

Finally, the mounting interest in more nearly adequate protection for people under other public retirement systems was evidenced by congressional consideration of old-age and survivors insurance coverage for State and local government employees covered by retirement systems. Employees who are in positions covered by a State or local retirement system at the time the State brings other employees in the State or local group into the Federal system cannot be covered under the latter. H. R. 7800, as passed by the House in 1952, would have permitted coverage of retirement system members other than policemen, firemen, and elementary and secondary school teachers if the members of the system indicated in a written referendum their desire for coverage. Representatives of a number of retirement systems urged that action not be taken until public hearings had been held, and the provisions were accordingly deleted by the Senate and omitted from the amendments as finally enacted; but hearings are to be held early in 1953 on the question of coverage of retirement system members.

Action should be taken to make old-age and survivors insurance coverage possible for the 2.3 million employees covered by State and local retirement systems. If retirement system members believe special provisions are necessary to safeguard their interests, the Federal law might include a provision that coverage could not be extended to retirement systems unless a referendum shows that the members favor such coverage.

Extension of coverage in the future, important as it is, will not prevent dependency among those who are too old to work and who therefore have not been able to qualify for benefits under the insurance program. Some of these people were already out of the labor force by 1937, because of age or disability; others have been in noncovered employment and now have no further opportunity to work. Insofar as these people make up today's old-age assistance load, the load will not be reduced by covering additional employment under the insurance program. This fact has led to proposals to work out some arrangement for paying benefits under the insurance program to all the present retired aged. Such a plan could not be expected to eliminate old-age assistance expenditures. The extent of reduction in such expenditures would depend on the size of the benefit provided by the insurance program. Since the benefit amount would necessarily be limited,

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many aged persons would still need supplementary assistance. Such reduction as would occur in assistance expenditures would in all probability be more than offset by increased outlays under the insurance program arising from the additional benefits provided.

Any plan to pay all the present aged—who are retired and not receiving old-age and survivors insurance—a benefit under the insurance program must be accompanied by extension of coverage to all gainful employment. With all employment covered, those retiring in the future would have eligibility based on contributions, and the need to pay benefits to noncontributors would be confined mainly to the present aged. Only with universal coverage could a plan for bringing in the present aged be considered as a transitional device that would not substantially increase the long-run cost of the system or threaten the contributory principle on which the insurance program is based. If a transitional plan of this kind is adopted, it seems clear that the cost of the noncontributory benefits should be met out of general taxation rather than from the contributions of covered workers and employers.

BENEFITS

Any consideration of benefit amounts under old-age and survivors insurance must take two factors into account—whether the benefits provide a reasonable and adequate content of living at any given time, and whether that content is maintained in the face of changing economic conditions.

From time to time surveys have been made of the resources, income, and living arrangements of persons receiving old-age and survivors insurance benefits. In every one of these surveys, including the Nation-wide study made in the fall of 1951, it has been found that the insurance benefits constitute the major source of income for most beneficiaries. Many have other income or resources—pensions, savings, homes that they own. For about two-thirds of the beneficiaries, though, the insurance benefits were their only significant permanent money income. Old-age and survivors insurance is the base on which nearly all Americans build their retirement programs.

Benefit amounts therefore should be high enough to provide an adequate foundation on which the worker covered under old-age and survivors insurance for most of his working lifetime can build a satisfactory retirement income. Moreover, the benefit amounts in themselves must be high enough so that the full-time worker at low wages who has been covered under the program steadily will not have to apply for public assistance after his retirement.

This does not mean, of course, that the *minimum* benefit under old-age and survivors insurance, or the benefits to those with very low

average wages, must be in line with payments made under public assistance. Most cases in which minimum benefits or very low wages are involved are not those of workers at low wage levels who have been under the program steadily, but rather are those of people who have been under it intermittently or for short periods. There is no justification for undertaking to provide adequate minimum benefits for all those who meet the insured status requirements. Thus, for example, it would not be justifiable to pay a minimum benefit sufficient in itself to provide a livelihood for a person who was covered for most of his working lifetime under another public retirement system and who received adequate retirement pay under it.

Both the 1950 and 1952 amendments increased the minimum benefit payable under the program and the benefit formula percentage that applies to the lower part of the average wage. The minimum benefit is now $25; the benefit formula provides for the payment of 55 percent of the first $100 of the average monthly wage and 15 percent of the next $200. Further increases in either the minimum benefit or the percentage applied to the lower part of the average wage would, in the long run, be of greatest assistance to those who have participated in the insurance program briefly and irregularly. The regular participant, even though employed at relatively low wages, will generally have an average wage in excess of $100.

Further changes in the benefit structure should be directed primarily toward increasing the benefit paid with respect to that part of the average wage in excess of $100. The amount to which the 55 percent part of the benefit formula applies, for example, might be increased from $100 to a higher figure, such as $115 or $120. The percentage applied to earnings in excess of the latter figure should be increased from 15 percent to 20 percent or higher.

A further step that should be taken in order that meaningful wage-related benefits may be paid to those whose earnings are above the lowest levels is to raise the present ceiling on annual earnings creditable toward benefits. This raise would permit the use of higher average wages in the benefit computation. The present ceiling of $3,600 is not in line with the increase in wage levels that has occurred since the program was established. In 1939 only 3 percent of all workers in covered employment had earnings above $3,000, the maximum amount then creditable. In 1951 an estimated 21 percent of such workers had earnings above the revised maximum ($3,600). The maximum on creditable earnings must be increased substantially. Without such an increase the continuing rise in wage levels, which there is every reason to expect over the long run, will eventually mean that most benefits will be of the same amount and thus the advantages of a program that gears benefits to previous earnings will be lost.

Still another improvement that should be made is the restoration of the former provision increasing the benefit amount for each year of participation in the program. Not only would such an increment help to improve benefits for the full-time worker in covered jobs; it would also give recognition to the repeatedly expressed attitude on the part of covered workers that long-term contributors should get some return for their extra contributions.

Adoption of the changes recommended will result in benefit amounts that will provide a reasonable and adequate level of living for the beneficiaries. There will still remain, of course, the problem of maintaining that level of living if wages and prices rise. In recognition of this continuing problem, Congress from time to time has amended the program to bring the benefit amounts in line with increased wage and price levels, and similar congressional action will doubtless be required in the future. It is desirable, though, that such adjustments be made automatically, at least in part. A change in the method of computing the average monthly wage, on which the benefit amount is based, would bring about some degree of automatic adjustment to wage levels. Under present law, the average monthly wage is computed by dividing the worker's covered earnings by all the months in his working lifetime after 1936 or 1950. This method of computing the average wage will, after the lapse of some years, result in a considerable lag between the effective level of wages on which benefits are awarded and current wage levels. This lag could be reduced by a provision for computing the average monthly wage over the worker's best consecutive 5 or 10 years of covered earnings.

This method of computing the average wage would not, of course, relate a worker's benefit amount to the proportion of his working lifetime spent under the program. There should be combined with it, therefore, a provision for relating the benefit amount to the proportion of time spent in covered employment. Otherwise there would be little or no distinction between the benefits for the short-term worker and those for the individual who works and contributes regularly under the program throughout his life.

Even if this method of computing the average wage is adopted, it will not, of course, increase benefit amounts for those already on the benefit rolls at any given time. It is just as essential to provide and maintain an adequate level of living for beneficiaries already on the rolls as it is for those who will come on the rolls in the future. In view of the fact that on September 30, 1952, the average benefit for a retired worker only, after having been increased by the 1952 amendments, was $46.75, and $80.75 for a man and wife both receiving benefits, it is obvious that the benefits payable to those now on the rolls are not yet adequate and should be increased.

A FLEXIBLE RETIREMENT AGE

Under the present provisions of the insurance program, when an insured worker reaches age 65 he may receive benefits if he has retired—that is, if he does not work in covered employment or self-employment for earnings of over $75 a month. At age 75, the retirement program for him becomes an annuity program; he may receive benefits regardless of his earnings from covered work. Thus, there is already some flexibility in the retirement provisions of the insurance program. Considerably more flexibility is needed, though, if the program is to function adequately as the basic retirement program for most of the American people.

The age at which retirement is desirable or necessary varies with each individual. Many people are not ready for retirement at 65; they are still competent and vigorous, and it is in their own interest and that of society that they keep on working. Others, not so fortunate, are ready to retire at 65; many, however, find it impossible to do so. In some cases this is because their wives are not yet 65 and therefore not eligible for wife's benefits, and the husband's benefit alone is not adequate to support the couple. Still other individuals may not be able to continue working until age 65; because of permanent and total disability they may be forced to retire prematurely. The insurance program is not now adjusted to deal with these individual differences in ability to go on working.

It is important that the retirement test be retained in the program, although it might be desirable to increase above $75 the amount of earnings used as a test of retirement. If the test were eliminated the cost of the program would be increased by about one-sixth, chiefly to pay benefits to people who are employed full time. All available evidence indicates that the retirement test does not discourage people from working if they can. Among the retired workers interviewed in the national beneficiary survey, who had met the retirement test throughout the year, about two-thirds indicated that they were unable to work.

To the extent that insured workers do postpone retirement after age 65, though, some increase in benefit amounts should be given by reason of the fact that they have not drawn benefits for the entire period after 65 and by reason of their having made additional insurance contributions and additional contributions to the Nation's productive effort. The Social Security Administration recommends, therefore, that an increase in benefits—somewhat larger than that recommended for participation in the program prior to age 65—be provided for continuance in covered work after age 65.

It is also recommended that women be permitted to qualify for benefits at age 60. Wives are usually a few years younger than their husbands, and it cannot reasonably be expected that when a man re-

tires his wife will be able to get a job to supplement his income. Similarly, a woman widowed at age 60, or an aged dependent mother, may have a very difficult time getting a job, particularly if she had not previously worked. If wives, widows, and dependent mothers are permitted to receive benefits at age 60, the retirement age for women workers should also be reduced.

Finally, it is essential that provision be made for paying benefits before the normal retirement age to insured workers who become totally and permanently disabled before that age. A more detailed discussion of the need for protection against disability is contained in the following section of this report, but a discussion of the need for flexibility in the retirement provisions of the program would be incomplete if the problem of permanent and total disability before the usual retirement age were not at least mentioned. The old-age and survivors insurance program is the only major retirement program that does not make some provision for premature retirement because of disability.

INSURANCE AGAINST DISABILITY

Not only is there no provision in the present law for the payment of benefits in cases of permanent and total disability; potential old-age and survivors insurance benefits are reduced by periods of disability, and the right to benefits may be completely lost. A step toward overcoming this latter disadvantage was taken when a tentative provision to preserve the benefit rights of disabled persons and their families was included in the 1952 amendments. This provision, which is similar in effect to the "waiver of premium" clause common in private life insurance contracts, will become operative only if Congress takes further affirmative action. Congress has indicated its intent to hold hearings on this matter early in 1953.

The Social Security Administration recommends not only that the rights of disabled workers be preserved but also that provision be made for cash disability insurance benefits and that rehabilitation services be provided from the funds of the insurance program to help disabled people return to gainful employment.

It is estimated that, among our civilian population of working age, approximately 2 million people have total disabilities that have lasted more than 6 months. (This figure takes no account of the large number of disabled people among the 1.2 million inmates of institutions of various kinds.) Among those aged 55 to 64, probably every sixteenth person is totally disabled. As the number and proportion of people in the older age groups increase, the number and relative importance of long-term disabilities are also bound to increase.

Today relatively few people have long-term protection against income loss from permanent and total disability. Those who do, for

the most part, owe what protection they have to the fact that industrial pension plans commonly provide for a reduced pension in case of permanent total disability—usually at advanced ages and after many years of service. Only if the condition is due to work-connected injury or illness—that is, in less than 5 percent of all permanent and total disability cases—may wage earners count on receiving payments under workmen's compensation laws. While special groups, such as career employees in government service and the railroad industry, are protected under their separate programs, people who work in employment covered only by old-age and survivors insurance must face the calamity of disablement without any protection whatsoever. The relatively high premiums charged by private insurance companies, and the restrictive terms on which private insurance against this risk is offered, keep the protection afforded by private companies to a small fraction of the total need.

The Social Security Administration recommends that workers who have worked for substantial periods, and immediately prior to becoming disabled, in employment covered by old-age and survivors insurance and who are totally disabled for any substantially gainful employment be entitled to cash benefits. These benefits should be administered by the Bureau of Old-Age and Survivors Insurance, and the determinations of disability should be made by that Bureau to secure uniformity. The methods employed would be substantially the same as those followed under the Federal, State, local, and private systems now in operation.

In addition, for workers eligible for disability benefits, rehabilitation services provided through the Federal-State program of vocational rehabilitation should be paid for from the old-age and survivors insurance trust fund. Those who can make a success of rehabilitation would have ample incentive to prefer the higher income of gainful employment to the necessarily modest amount of their cash benefits.

More frequent if less serious in their consequences are injuries and illnesses which, though totally disabling, are of shorter duration. Two million people between the ages of 14 and 65, exclusive of those in institutions, are away from work or from their regular pursuits on an average day because of illnesses or injuries that have lasted less than 6 months. To meet the risk of income loss due to short-term illness and injuries, four States have established temporary disability insurance programs. To give all employed workers covered under old-age and survivors insurance equal protection against income loss due to short-term disability, cash benefits should be provided as part of old-age and survivors insurance. These benefits should be payable, after a short waiting period, for the duration of the disability up to 26 weeks in any one year.

Just as the rate of incidence and the duration of disability in general rise among the upper age groups, so do the rate of incidence and the duration of illness requiring hospitalization. While hospitalization insurance is widely available to people in the younger age groups, particularly those employed in industry or residing in urban communities, opportunities to obtain such protection are limited for persons aged 65 and over.

As a consequence, the risk of illness requiring hospitalization can assume catastrophic proportions for the aged. One in 9 of the beneficiaries in the national beneficiary survey was found to have been hospitalized during the year of the survey, 70 percent of them for more than 2 weeks. The great majority of beneficiaries do not have resources adequate to meet this risk. To cope with at least part of the cost of hospitalization, the Administration recommends that hospitalization insurance be provided for persons aged 65 and over (and their dependents) who are insured under the program—those already drawing benefits and those who have not yet applied for them—and for the widows and children of deceased insured workers.

FINANCING

Two of the changes recommended in the foregoing paragraphs—the increase in the maximum on creditable wages and the extensions of coverage—would result in a decrease in the cost of the program as a percentage of pay roll. Other recommendations would result in increasing the cost of the program as a percentage of pay roll. The net effect, if all the recommendations are adopted, would be some increase in cost.

In any consideration of the recommendations the cost factors will of course have to be given careful consideration. If coverage under the program were practically universal, as recommended, it would be appropriate to provide for a Government contribution to the cost of the program. In any event, orderly arrangements should be made for meeting additional costs resulting from improvements in the program so that it will continue to operate under an adequate long-range plan of financing.

Public Assistance

Significant declines in the number of persons receiving public assistance occurred during the year, reflecting increased employment opportunities and the expanded coverage of old-age and survivors insurance and its higher benefits made possible by the 1950 amendments to the Social Security Act. At the same time, however, in recognition of the increased cost of living that affected the adequacy of the grant of persons still dependent on public assistance, Congress in July 1952 enacted amendments that made it possible for State public

assistance programs to meet need more adequately. Federal aid to States was increased by raising the maximum monthly payment in which the Federal Government will share, and by increasing the proportion within the maximum which the Federal Government will pay to States.

Beginning October 1, 1952, for old-age assistance, aid to the blind, and aid to the disabled, Federal funds pay 4/5 of the first $25 (raised from 3/4 of the first $20) of the average monthly assistance payment per recipient, plus half the balance of all expenditures up to $55 a month for individual payments (raised from $50). For aid to dependent children, Federal funds pay 4/5 of the first $15 (raised from 3/4 of the first $12) of the average monthly payment per recipient, plus half the balance up to $30 for the needy adult caretaker, $30 for the first child, and $21 for each additional child (raised from $27, $27, and $18, respectively).

The changes are effective for 2 years. Each State will determine the extent to which these additional Federal funds will be used to increase payments to the needy. Under similar legislative changes in 1946 and 1948, almost all States used the additional Federal funds to increase payments.

Another amendment passed by Congress in June 1952 permits (and after June 30, 1954, requires) States to disregard the first $50 a month of a blind person's earned income not only in determining his own need but also that of his dependents. Previously, a blind person could earn $50 a month without its being counted in figuring his assistance budget, but his earnings did have to be counted as a resource to his dependents if they were applying for or receiving aid under another federally aided assistance program.

Program Developments

CASE LOAD AND EXPENDITURES

Both the number receiving assistance and expenditures for their care showed decreases in 1952. The number of recipients, including those receiving general assistance, dropped by 200,000 during the year—from 5.7 million in June 1951 to 5.5 million in June 1952. Total expenditures for the year decreased by $17 million to $2,393 million, of which the Federal share was $1,134 million.

The number on the rolls in June 1952 represents a drop of about 4 percent from June 1951 and about 10 percent from the peak load in 1950. The decrease took place despite the fact that the 1950 amendments broadened coverage by providing grants to States for aid to the permanently and totally disabled, extending Federal help to Puerto Rico and the Virgin Islands, and adding a few small groups of needy persons to existing categories.

The decline resulted primarily from decreases in aid to dependent children and old-age assistance. The number of persons receiving aid to the permanently and totally disabled increased. Many of the disabled had previously been provided for under State or locally financed general assistance, and their transfer to the new federally aided program accounts for a large part of the 12.4 percent decrease in general assistance. There was little change in the number of recipients of aid to the blind; for the country as a whole there was a net increase of 400 cases.

Chart 4.—AGED PERSONS AND CHILDREN RECEIVING MONTHLY PAYMENTS UNDER THE SOCIAL SECURITY ACT [1]

[1] Average monthly number, by years, per 1,000 aged or child population. Population data estimated.

In 44 of the 53 States, fewer families were receiving aid to dependent children in June 1952 than in the preceding June. Similarly, 45 of the 53 States had fewer aged recipients. This decrease occurred despite the continuing increase in the number of aged persons in the population. As a result, 201 individuals per 1,000 population aged 65 or over were receiving old-age assistance in June 1952, as compared with 214 in June 1951 and 235 in the peak period of June 1942 (chart 4).

Many States raised payments during the year to help meet the increase in the cost of living. In June 1952, average monthly payments were $45.19 per person in old-age assistance; $75.88 per family in aid to dependent children (or $21.93 per person); $46.06 per person

in aid to the permanently and totally disabled; $50.13 per person in aid to the blind; and $45.95 per case in general assistance.

EFFECT OF OLD-AGE AND SURVIVORS INSURANCE ON PUBLIC ASSISTANCE

As a result of the relaxed requirements for insured status under the 1950 amendments to the Social Security Act, by the end of 1951 about 600,000 additional retired workers became entitled to old-age and survivors insurance benefits. The additional income from the benefits made it possible for several thousand persons who had been dependent on public assistance to leave the assistance rolls. For others who might otherwise have had to apply for assistance, the insurance benefit was enough, with other resources, to make them financially independent.

For most of the 600,000 retired workers, however, the insurance benefit for which they qualified was a small amount. At the end of 1951, for example, the average benefit for the group who became eligible solely as a result of the more liberal eligibility requirements in the 1950 amendments was $25 a month. The insurance benefit therefore reduced, but did not wipe out, the need for some assistance. As a result of the growth in the number of insurance beneficiaries, the number needing some supplementation has materially increased, although the amount of assistance they require is substantially smaller than it would have been without the insurance benefit.

In February 1952, 406,000 aged persons received both old-age and survivors insurance and old-age assistance. They represented 15.3 percent of the total number of old-age assistance recipients as compared with 13.8 percent in August 1951 and 6.1 percent in June 1948. Their payments amounted to 12.5 percent of the total expenditures for old-age assistance. In addition, some 30,000 aid to dependent children families, or 5.2 percent of the total number, also received both insurance benefits and public assistance, which represents only a slight rise from 5.0 percent in August 1951 and 4.8 percent in June 1948. Their payments amounted to 4.2 percent of total expenditures for aid to dependent children.

STATE IMPLEMENTATION OF AMENDMENTS TO THE SOCIAL SECURITY ACT

States were active during the year improving and strengthening their public assistance programs by incorporating provisions included in the 1950 amendments. By June 30, 1952, 38 States were administering aid to the permanently and totally disabled and were making payments to 145,344 recipients, some 40 percent more than the number aided by the 31 with State programs in June 1951. Puerto Rico and the Virgin Islands now have approved plans for all four categories of assistance. Pennsylvania and Missouri, which did not have fed-

erally aided blind programs before an amendment in 1950 permitted them to qualify for Federal funds on a special basis, now have approved plans. Alaska's plan for its aid to the blind program was approved, and Nevada is now the only State which does not have a federally aided program for the blind.

Aid to the permanently and totally disabled.—In addition to initiating new programs for aid to the disabled or strengthening their existing programs, States have been studying the characteristics of persons receiving assistance under this program in order to meet their needs more effectively, and to plan for their rehabilitation to the extent possible.

Preliminary findings from a Nation-wide study conducted by the Bureau of Public Assistance, in cooperation with States agencies, revealed that the recipients of aid to the disabled are, to a great extent, persons past middle life. Half of the recipients were 56 years of age or over, and almost a third were 60 years or over. Only about 15 percent were under 40 years of age. Diseases of the heart and circulatory system, congenital conditions or injury at birth, paralyzing conditions, and arthritis were the major impairments. Most of the recipients had had their major impairments for a relatively long time; for 40 percent, the impairment had occurred 10 years or more before the study was made. Fewer than 3 percent had impairments of less than a year's duration.

About 30 percent of the recipients needed help to carry on the essential activities of daily living, and about 20 percent were housebound, bedridden. or chairfast. Medical services for 75 percent of the recipients had been arranged or paid for by the assistance agency within 6 months preceding the study. While 70 percent of the recipients had worked at one time, most of them had been out of the labor market from 2 to 6 years. Some, mostly in the younger age groups, had been referred to vocational rehabilitation agencies.

The possibility of complete rehabilitation for many of the older and more seriously disabled recipients appears doubtful. Much can still be done, however, to help many improve their condition and their ability to care for themselves, thus lessening the responsibility of others for their care. Despite the limited resources available to both public assistance and rehabilitation programs, close and effective cooperation between these agencies has already resulted in the rehabilitation of an increasing number of persons formerly dependent on public assistance.

Staff engaged in the assistance, medical, and rehabilitation programs in the States and localities have been working together closely, particularly in reviewing the medical and social information in individual cases to plan for possible medical and related services. For example, one State established a screening clinic where a team composed of

medical doctor, psychiatrist, psychologist, vocational rehabilitation counselor, and social worker study applicants for aid to the disabled to develop recommendations the local agency can use in planning for their care and rehabilitation.

During the year, conferences were also held in Fisherville, Virginia, and Okmulgee, Oklahoma, the cite of rehabilitation centers, to further cooperative relations between vocational rehabilitation and public assistance agencies. State staff—including doctors, medical social workers, public assistance workers, and rehabilitation counselors in the agencies in the regions where the conferences were held—met to discuss their experiences in rehabilitating the disabled.

Payments for medical care.—The 1950 amendments extended Federal financial participation to payments made by the public assistance agency directly to doctors, hospitals, and other suppliers of medical services. Such participation is now available to the extent that the sum of the money payment to the recipient and the payment to suppliers of medical care does not exceed the maximum on the individual monthly payment in which the Federal Government will share. Thus, State public assistance agencies now have greater administrative flexibility in arranging and paying for medical services than they did before the amendment, when the Federal Government helped meet the cost of medical care only if it was included as part of the money payment to the assistance recipient.

The amendment, however, has not made much additional Federal money available for medical services to recipients. States with substantial proportions of their assistance payments at or above the Federal maximums find that they can get little additional Federal help to finance expenditures for medical care. On the other hand, some States that make low assistance payments cannot raise sufficient State funds to finance an adequate assistance standard that will include medical care, and thus cannot get the maximum amount of Federal help that is now possible under the present matching provisions.

Only 14 States have utilized the provisions of this amendment. The estimated Federal share of medical payments under this provision at the April 1952 rate of expenditure amounts to about $7 million a year, or 11 percent of the total paid by these State agencies to suppliers of medical services to assistance recipients.

Notice to law-enforcement officials.—This amendment to the Social Security Act provides that, beginning July 1, 1952, State public assistance agencies must notify law-enforcement officials whenever aid is given deserted or abandoned children under the aid to dependent children program. Because the administration of this provision will have effects that extend beyond this program, it was considered necessary to have other social agencies, especially those engaged in family

and child welfare work, share in considering how it should be administered.

Before the effective date of this amendment, the Bureau of Public Assistance called together a group of representatives of State and local public assistance agencies, national private family and children's agencies, law-enforcement agencies, and legal aid societies, and other persons who could be helpful in planning. This group met in 1950, 1951, and again in 1952 to consider policies interpreting the amendment and outlining the requirements for State plans for administering it, and to develop recommendations to State agencies on methods of working with law-enforcement officials and with the families affected by the amendment. The recommendations growing out of these meetings were considered by all the State agencies. The advice and suggestions obtained from the meetings and from the State agencies were invaluable in the development of Federal policy and standards for State practice.

In addition, the discussions highlighted the need for improved service to families in trouble or threatened with disruption, and public assistance agencies are being encouraged to provide some of the services required. The Bureau is also urging communities to take stock of their resources for preventive and rehabilitative services to families that need such help, to utilize existing resources, and to develop others that may be needed. One of the values of the joint planning for administering the amendment is that it focused attention on the general problem of nonsupport and family breakdown. Experience with the amendment, as well as with the reciprocal nonsupport legislation now operating in most States, should provide factual information for State and national exploration of more effective methods of dealing with some aspects of the general problem.

Standard setting for institutions.—This amendment provides that in States that give assistance to persons in institutions there must be a State authority or authorities responsible for establishing and maintaining standards for such institutions. It does not become effective until July 1, 1953, but many States have already set up a special authority or broadened the authority of existing agencies for this purpose. Other States are examining their statutory requirements and developing proposed legislation for establishing standards or broadening coverage. States that have had long experience in administering standard-setting programs are being called on for suggestions on the content of proposed legislation.

In preparing for operation under this amendment, the Bureau used an advisory committee of representatives of public and private agencies interested in this subject. At its most recent meeting, the committee reviewed policy materials prepared by the Bureau for the use of States, and also considered the content of desirable standards

for institutions, the relationships between the public assistance agency and the standard-setting authorities, and the relationship of the amendment to individual recipients. The Bureau is also working closely with a subcommittee of the National Committee on the Aging of the National Social Welfare Assembly, which is developing standards for domiciliary institutions for the aging.

Much community organization and planning that must precede the implementation of this amendment has already been initiated by many States, and there are evidences of a marked movement in both public and private agencies to coordinate their efforts and to use the amendment as a stimulus for improving institutional standards.

Public access to public assistance information.—In October 1951, Congress adopted the so-called Jenner Amendment (Section 618 of the Revenue Act of 1951) to permit States to enact legislation prescribing conditions under which public access may be had to the disbursement records of federally aided public assistance programs, provided that the legislation prohibits use of information thus obtained for commercial or political purposes. The amendment modifies the requirement of the Social Security Act that an approved plan for public assistance must provide safeguards that restrict the disclosure of information concerning applicants or recipients to purposes directly connected with the administration of public assistance.

Proponents of the amendment argued that the threat of publicity would deter persons not in need from applying for assistance. Making public the names of recipients and the amount of their assistance payments would expose ineligible persons, it was said, while the desire to avoid such publicity would encourage those who could work to get jobs and would induce relatives to support needy members of their family. This was thought to be an effective means whereby the cost of the State's assistance programs could be reduced.

Interest in this issue on the part of newspapers, citizen groups, State legislators, and public welfare officials led many State agencies to explore ways in which they could operate under this amendment. By June 30, seven States had this provision. However, public access to disbursement records has had no clearly attributable effect upon the size of their case loads. Reports for each month in 1951–52 have shown a decline in case load in most States, doubtless as a reflection of the expansion in old-age and survivors insurance and high employment. In general, however, the decline has been no faster in the States that opened their rolls than in those that did not. Many factors cause fluctuations in the number of persons on a State's assistance rolls, and it is seldom possible to identify one as being primarily responsible for the change.

State agencies report that relatively few persons other than newspaper reporters inspected the lists of recipients when they were first

made public by the agencies. Experience of the State agencies operating under this amendment further emphasizes that the only satisfactory way to prevent ineligible persons from receiving assistance is through efficient administration by an adequate and well-qualified staff.

OTHER PROGRAM OPERATIONS

With the increase in work loads resulting from the 1950 amendments, State public assistance agencies requested assistance from the Bureau in improving their administrative, fiscal, and management methods to meet their added responsibilities. Standards, procedures, and techniques in some fiscal and management areas were developed, and technical consultation was furnished individual States on request.

Responsibility of the regional staff has been extended to include action on all plan material covered by established policy except that requiring action by the Commissioner for Social Security or the Federal Security Administrator. Primary attention in the Bureau's continuing review of State and local operations during the year was focused on study of the most serious problems encountered by State agencies in adhering to Federal requirements, and of the aspects of the program about which there has been criticism. Because of the complexity of the program of aid to dependent children, a review of State practice in this program was undertaken to provide more extensive information for evaluating the program.

The review also included exploratory analyses of the new program of aid to the permanently and totally disabled; sampling of case records to check on the eligibility of recipients and the amount of the payments and to identify situations sufficiently serious to require further analysis or other action; and review of the new assistance programs in Puerto Rico and the two State programs for aid to the blind established under the 1950 amendments.

The increased interest in the possibilities of rehabilitation for the disabled has led some States to screen out difficult cases for attention by the best trained and most experienced workers. The results of this and other experiments indicate some of the resulting financial, as well as human, savings. A study of 413 public assistance recipients who were rehabilitated in one State showed that $619,000 had been spent in 1 year for public aid for these families whose need was due to the incapacity of the wage-earning parent. Expenditure of an additional $114,926 to obtain the necessary rehabilitation services for the parents made the families self-sufficient. By the following year, not only were all the families financially independent, but their earnings were almost double the amount they had received on assistance. A similar study reported in another State involved 24 disabled persons who were receiving a total of $482 a week in public assistance. After they were

rehabilitated, their earnings in private industry totaled nearly $1,000 a week.

The Bureau has been working closely with the Family Welfare Association of America to find ways in which both agencies can encourage joint responsibility at the local level for family services. It has also encouraged the growth of cooperative working relationships with other agencies operating in the State and local community that can provide necessary services to assistance recipients. The Children's Bureau and the Bureau of Public Assistance are jointly considering the types of services needed in aiding dependent children in their own homes, defining the services of the public assistance and the child welfare programs, and developing recommendations for working relationships between public assistance and child welfare agencies in States and localities.

The problem of staffing State and local public assistance agencies with qualified personnel to administer assistance efficiently and provide services essential to the rehabilitation of recipients is difficult under present conditions. About 11 percent of the 30,000 technical persons responsible for administering public assistance in 1950 had had a year or more of professional training for this work; 83 percent of the 22,000 local public assistance case workers lacked any such training. An average Nation-wide salary of $2,569 for public assistance case workers makes it difficult for States to obtain enough staff at this job level. Staff qualified by professional competence and pertinent experience is also hard to recruit even for positions that are better paid.

The Bureau has attempted to help State agencies deal with the difficult problem of training personnel on the job. High staff turnover and heavy responsibilities resulting from chronic understaffing have tended to aggravate the situation. Help to the agencies has taken the form of consultation on staff development to individual States, group consultation in this area to staff of several States, regional conferences with staff of State agencies, clinics and institutes in various parts of the country on methods of supervision and staff development, publication of materials on State training experiences useful to other States, issuance of teaching materials for use in staff development, and work with several schools of social work in developing course material pertaining to public assistance.

A national committee on training and personnel, advisory to both the Children's Bureau and the Bureau of Public Assistance, is evaluating the significance to both Bureaus of recommendations made in various recent studies bearing on this subject. These include the study of social work education in the United States conducted under the auspices of the National Council on Social Work Education, the findings of the survey of salaries and working conditions in social

work positions made by the Bureau of Labor Statistics with the cooperation of the Social Security Administration, and a statement about the job of the public assistance worker prepared by the American Public Welfare Association.

The Bureau of Public Assistance has a small staff of about 145 technical persons in its departmental and regional offices, carrying responsibilities in the administration of the four grant-in-aid programs that provide assistance to nearly 5 million people in 53 jurisdictions, with an expenditure of Federal grants to the States of more than a billion dollars. With the heavily increased work load in developing Federal policy and recommendations and in helping States to implement the 1950 amendments, the Bureau made great effort to increase its efficiency. Management improvement projects were carried through on many phases of operations. State public assistance agencies and regional office staff reviewed the statistical reporting program of the Bureau to ensure that the information collected on program operations is properly geared to current needs. Increased cooperative effort between constituent units within the Federal Security Agency has expanded the use of the resources and knowledges of many fields in planning for dealing with problems within the scope of the public assistance programs.

Widespread interest in public assistance has been reflected in several articles by well-known journalists which appeared in popular magazines during the year. Several pamphlets issued by interested organizations have helped to interpret many phases of the public assistance program and to point up the role of services in preventing and reducing the need for assistance. Increased cooperative effort and pooling of resources of public and private social welfare and health agencies on the Federal, State, and local levels, and the increasing interest and cooperative efforts of civic, church, and other groups are encouraging evidences of a constructive approach to the problems of dependency.

RELATED ACTIVITIES

Progress was made during the year toward developing a working agreement with the Federal Civil Defense Administration as to the responsibility the Bureau will be asked to assume in the development of a program of emergency welfare services. Members of the Bureau have continued to give technical help to the Federal Civil Defense Administration staff on various civil defense projects relating to welfare services. Bureau staff also worked with the Bureau of the Budget on a plan for the maintenance of income of persons affected by enemy action. The Bureau participated in task forces on income maintenance and on housing, organized by the National Security Resources Board to study some of the problems that would result from enemy action.

The Bureau has also been interested in broad program activities and interest stemming from the needs of the aged. Its activities in this area encompassed publications, organizing conferences with voluntary and public agencies having programs affecting the aging, consultation to State departments of welfare, preparation of special reports, presentation of technical papers before professional associations, and program planning with the Federal Security Agency. Bureau staff participated in developing plans for the Conference on Housing the Aging held in July 1952, of which the Federal Security Agency was cosponsor with the University of Michigan, and for the Agency-sponsored conference of State Commissions on Aging in September 1952. It also worked with the Agency's Committee on Aging and Geriatrics in developing plans for a census of public and voluntary institutions for the aged, which had been requested by the National Committee on the Aging of the National Social Welfare Assembly.

The Bureau continued to provide technical services, under various international programs, to visitors and trainees from other countries, arranging study and observation programs in social welfare for trainees and briefer consultations for short-term visitors. Bureau staff also cooperated in recommending experts for overseas missions and providing technical information to social welfare consultants serving as United States consultants in other countries. The Director of the Bureau continued to serve as alternate Member of the United Nations Social Commission and acting chairman of the Interdepartmental Committee on International Social Welfare Policy.

Improving Public Assistance

Amendments to the Social Security Act in 1950 made possible real gains in meeting needs of some persons heretofore not covered. However, the act can be strengthened still further to help alleviate and prevent some of the problems of dependency. The broadened old-age and survivors insurance program will undoubtedly continue to reduce the number of persons who will need public assistance. To meet the needs of those who still are not covered by the insurance program or whose minimum needs are not met by the insurance benefit, the Social Security Administration recommends that careful consideration be given to the following proposals.

FINANCING PUBLIC ASSISTANCE

The Federal share of the cost of public assistance should be related to the fiscal ability of the States. A series of amendments to the public assistance titles of the Social Security Act has resulted in a steady rise in all States in the *proportion* of assistance payments met from Federal funds. The States with relatively high average payments—in general the States with high per capita incomes and also a substantial propor-

tion of old-age and survivors insurance beneficiaries—receive the largest dollar amounts per recipient. The low-income States, on the other hand, have low average payments and receive the lowest dollar amounts from Federal funds, though the rate of Federal participation is higher than in other States. The lower the average payment, the higher the rate of Federal participation. This higher rate can be maintained only so long as a State keeps average payments low. What is needed is a formula that would enable the low-income States to raise their payments without being penalized by a reduction in the Federal share.

The Administration has developed formulas for the determination of the Federal share of assistance costs which would vary the Federal share according to the fiscal ability of the States, as determined by per capita income, which is the best available objective measure of fiscal ability. Such a formula, the Administration believes, should be used to establish the Federal share of all public assistance costs, including the money payment, the vendor payment for medical care, and administrative costs. The formula could be written so that the Federal share of public assistance (including the additions and changes to the existing programs as recommended in this report) would result in Federal expenditures that would approximate or would be higher or lower than the current amount. The exact specification for such a formula would depend upon a determination by Congress of the proportionate share that the Federal Government should meet. The Administration therefore recommends that the Federal share of public assistance, including the money payment, the vendor payments for medical care, and administrative costs, should be related to the fiscal ability of the State.

INCREASED FUNDS FOR MEDICAL CARE

Action should be taken to improve and simplify the plan of Federal participation in the cost of meeting the medical needs of public assistance recipients who are ill. The Administration believes this can best be done by relating the amount of Federal financial participation in State assistance expenditures to a specified average maximum amount per recipient rather than to a specified maximum amount for each individual, as at present. Under such an arrangement, all expenditures made by the State for both maintenance and medical care in individual cases would be subject to Federal financial participation up to an over-all figure determined by multiplying the average maximum by the number of recipients.

In this way, States could balance low payments made to some recipients against higher payments made to other recipients whose need for medical services exceeds the present maximums on individual payments. If the total of State expenditures was below the product of the number of recipients multiplied by the average maximum, as

specified above, the Federal Government would share in the total cost; if State expenditures exceeded this amount, Federal funds would be available for a share of the cost only up to this amount.

Under this plan, the States would have greater flexibility in planning for the assistance needs, including medical needs, of assistance recipients, either through a payment to the recipient or by a direct payment to the suppliers of medical services. The States would be able to select the best method for meeting these needs and would receive Federal help with the cost.

An alternative approach would be to provide separate Federal participation in payments made by the State for medical care on behalf of assistance recipients, based on an average amount per recipient up to a specified maximum. Such grants would be made to the States in addition to the grants for the money payment within the present maximums.

The Administration, therefore, recommends that the present individual maximums on Federal matching funds be changed to an average amount per recipient or, alternatively, that the Federal share in payments made by the State for medical care on behalf of assistance recipients, up to a specified maximum, be determined separately from, and in addition to, the money payment within the present maximums.

BROADENED AID TO THE DISABLED

Experience with programs for disabled individuals has illustrated the desirability of early diagnosis, treatment, and retraining. Opportunities for preventing permanent and total disability and for retraining and rehabilitating disabled individuals are greatest among those whose disabilities have not existed for a long time. The extensive economic and social loss resulting from delaying help until a person's disability becomes permanent and total is, in some cases, so costly to both the individual and the community that it is much more economical, as well as humane, to provide rehabilitation and retraining at the time the disability occurs. Also, it is psychologically damaging to disabled persons to classify them as both permanently and totally disabled before necessary assistance and services can be made available to them. The Administration therefore recommends that aid now limited to persons who are permanently and totally disabled be broadened to include all needy persons whose disabilities seriously interrupt their productive activity, including that of homemaking.

ASSISTANCE FOR OTHER NEEDY PERSONS

An expanded disability program, as recommended above, would provide for many needy persons not now covered by other federally aided programs. It has been evident for the past several years, however, that even in prosperous times some communities experience a

high incidence of unemployment from economic causes, such as strikes, retooling, or material shortages; or a disaster can create need beyond the capacity of the State and locality to meet. During the week of January 15, 1952, for example, 8,900 workers in the Detroit area had exhausted their benefit rights for unemployment insurance and were still unemployed; in the same area 16,000 claimants had exhausted their employment insurance rights during the preceeding 12 months. In addition, personal and family crises frequently create temporary need for assistance which cannot be met at present under federally aided public assistance programs. Although the number of needy persons not among the groups eligible for assistance under the Federal-State programs would be relatively small if aid to the permanently and totally disabled were broadened to include other disabled persons, as recommended above, the public assistance program should be strengthened so that it can meet the minimum requirements, not otherwise met, of all needy persons.

Such an addition to the public assistance titles of the Social Security Act could be so designed that States, if they wish, could unify their various assistance programs and give assistance to any needy persons without regard to category of need. Or States could, if they wish, maintain their present categories and establish other reasonably defined categories, as broad or as limited as the State may desire. This would give the States more flexibility than under the existing law, which limits Federal participation only to certain programs designed for specified groups of needy persons. The Social Security Administration, therefore, recommends that the public assistance provisions of the Social Security Act be extended to include Federal participation in assistance given by a State to any needy person.

FEDERAL SHARE OF ADMINISTRATIVE COSTS

The efficient administration of the public assistance program depends in large measure upon the quality of the staff administering the program. The problem of keeping ineligible persons from receiving public assistance can best be handled by efficient administration. The low salaries and heavy work loads in many States make it difficult to obtain enough qualified staff to do an effective job.

There are unavoidably heavy costs both in determining eligibility for disabled persons (because of the need to establish technical, medical, and other factors) and in providing essential services to such individuals. The determination of who is permanently and totally disabled or who is an incapacitated parent involves the use of skilled staff, which means higher salaries than some States are able to pay. The cost of such staff has prevented some of the low-income States from making their assistance programs fully effective.

It was recommended above, in discussing the financing of public assistance, that the Federal share of the cost of public assistance be related to a State's economic resources. Under this recommendation, States with limited resources would receive a relatively higher proportion of Federal funds for the cost of administration. This would help States that now have difficulty in employing qualified staff to do so and to improve the level of services rendered. If this recommendation is not accepted by Congress, the Administration recommends that other plans be explored with a view to aiding low-income States to obtain skilled staff to establish eligibility and to render the necessary services to make their programs fully effective.

REPEAL OF THE JENNER AMENDMENT

In the seven States operating under the "Jenner Amendment," there is little evidence that the enactment of State legislation to open the assistance rolls to public inspection has resulted in exposing any significant number of persons receiving assistance fraudulently. On the other hand, the public knowledge of the dependency status of assistance recipients can cause needless embarrassment to many who are dependent on public assistance, and can have other serious effects, especially on children receiving assistance. Also, it is not possible to deal with the misuse of information by political and commercial groups until after the harm has been done. Since experience of operating under this amendment has shown that it has not accomplished its objective, the Social Security Administration recommends that it be repealed.

FEDERAL AID FOR TRAINING

Because of the shortage of professionally trained personnel, public assistance agencies have had to employ staff with limited or no professional training and to rely to a great extent on in-service training and staff development programs within the agencies to improve the quality of their administration. It is recognized that skilled persons are needed to provide the services that will enable the aged, blind, disabled, and families receiving aid to dependent children to achieve greater independence. Although such skill is best acquired through specialized training, facilities for such training are at present inadequate and the cost is beyond the financial ability of many students. Some States have not been able to pay for the cost of educational leave to encourage staff to receive training, even though half of such costs can be met through Federal funds for administrative expenses. The difficulty of securing replacements at current low salaries also discourages many States from providing educational leave.

To assist States in obtaining the skilled staff necessary to administer assistance efficiently as well as to achieve an effective expenditure of

public funds, the Administration recommends that a small appropriation be made to the Federal Security Agency with authority to use these funds to extend and strengthen facilities to train personnel for State and local public assistance administration. Authority should include use of these funds to help States in financing the training of personnel, particularly those States that have an urgent need for trained personnel and are unable to finance training in other ways because of limited resources.

RESIDENCE AND CITIZENSHIP REQUIREMENTS

Most States require public assistance recipients to have lived in the State for a certain length of time in order to be eligible for public assistance. Some States provide public assistance only to citizens of the United States. The Social Security Act does not prohibit States from imposing these restrictions; it merely limits the extent to which such restrictions can be imposed.

The freedom Americans have to move at will from one part of the country to another has contributed greatly to the economic progress of the Nation and is essential in a period of extensive defense activity. State residence requirements, although considerably less restrictive than in earlier years, operate to penalize some people who move by preventing them from obtaining needed public aid. Funds made available through Federal grants derived from all the people should most appropriately be used to provide assistance to needy individuals, regardless of the length of their residence in a particular State. The Administration recommends that residence requirements in existing federally aided public assistance programs be prohibited or at least reduced to a maximum of one year, and not be permitted in programs for other needy people, if grants for such programs should be authorized by Congress as recommended in this report. The Administration also recommends that State citizenship requirements be prohibited in all federally aided programs of public assistance because such requirements deny assistance to otherwise eligible persons who may be as much in need as persons who are citizens.

EXPANSION OF AID TO PUERTO RICO AND THE VIRGIN ISLANDS

Federal participation in the public assistance programs in Puerto Rico and the Virgin Islands is limited by maximums on the individual payment which are much lower than in other States, by a less favorable formula determining the Federal share, and by a limit placed on the total amount of Federal funds that may be expended within a year. The formula determining the Federal share for the islands' programs is the same as that established originally in the 1935 Social Security Act; this provision, however, was subsequently raised for other jurisdictions but not for Puerto Rico and the Virgin Islands.

Because of their limited economic resources and widespread need, it is already evident that the continuation of these limitations will seriously handicap the ability of the islands to help their needy people even at the very conservative standards under which they now operate. For example, even with Federal aid, the average monthly payments for old-age assistance in June 1952 were $7.50 in Puerto Rico and $10.98 in the Virgin Islands. The economy of both jurisdictions makes it virtually impossible for them to raise sufficient revenue to support an assistance program of even minimum proportion without increased Federal aid. The Administration therefore recommends that the Federal share in assistance payments be increased within the existing maximums on individual payments applicable to Puerto Rico and the Virgin Islands, and that the dollar limitation on the total Federal grant to Puerto Rico and the Virgin Islands be removed.

EXTENSION OF AUTHORITY FOR RESEARCH

The size and cost of public assistance programs today, in a period of general prosperity, indicate the need for intensive study of the factors that result in dependency, and for experimentation, through demonstration projects, with suggested methods of helping people achieve greater independence and thereby lessen their need for assistance. The cost of such intensive inquiry and experimentation is beyond the limited administrative funds now available. In addition to the need for research by Federal and State administrative agencies, grants should be available to encourage universities and qualified individuals to conduct intensive study in the many facets of this problem.

The Administration therefore recommends that the authority now included in section 702, title VII of the Social Security Act to study the most effective methods of providing economic security, should be extended to include authority to make grants to States, universities, and qualified individuals to conduct research that would contribute to meeting more effectively the problems of dependency.

Children's Bureau

The year 1952 was one of uncertainty and, to some extent, watching and waiting. The uncertainties of an unsettled world in which war was still a possibility made it difficult to plan very far ahead. High employment, the rise in the cost of living, the defense and mobilization effort—all had their reverberations in the lives of children.

Along with high employment came problems which had an adverse effect on child life. Among these were the increased employment of women and the rise in the cost of living. Although the number of women employed during the defense period apparently had not in-

creased as rapidly as had been expected, many communities felt its impact. There was evidence that lack of adequate community services and facilities, such as schools, day-care centers, and health and welfare services, were contributing to problems of children whose mothers were employed.

The current rise in the cost of living was also creating serious problems for agencies serving children. Although public child health and welfare services reached more children, the funds and personnel could not be stretched far enough to cover the number of children needing care. Agencies placing children had increased difficulties in finding foster homes because many potential foster parents could not afford to take in children at the boarding rates the agency was able to pay. Institutions serving children were finding it more and more difficult to give adequate care with the funds available. Community chests and voluntary agencies faced by increased costs were forced to cut services. This brought added pressure on public funds.

Some States are reporting that they are receiving an ever-increasing number of calls for maternity and infant care for dependents of men in the armed service.

The continuing build-up of the Nation's defense effort had more effects in some communities than in others. Where employment increased rapidly, the strain on the supply of adequate housing and on school, health, welfare, and recreational facilities brought hardships for children. The number of cases of neglect and of juvenile delinquency increased. There were more broken homes, and requests for the foster placement of children rose.

Building State and Local Services for Children

One of the strengths of the grant-in-aid programs in child health and welfare under the Social Security Act is that they follow the principle that all the people of the United States, through the Federal Government, share with State and local governments the responsibility for helping to provide community services that children need if they are to have a good start in life. To back up this principle, the Social Security Act authorizes Congress each year to appropriate funds to be given to the States to help them extend and improve their health and welfare services for children and their maternity service for mothers.

GRANTS

Grants totaling \$31.5 million were made to the States for mothers and children in the fiscal year 1952. A State's share in this money is worked out by various specified formulas, intended to channel relatively larger sums to States with the largest rural population. Of the \$31.5 million, \$12,524,100 was earmarked for maternal and child

health services, $11,385,500 for crippled children's services, and $7,590,400 for child welfare services.

To qualify for Federal aid, States must put up money of their own, and all of them do. In fact the total amounts of State and local funds appropriated for these programs are much greater than the sums States receive from the Federal Government. Some of the Federal funds that do not have to be matched are used for special projects and demonstrations in areas that, for the State, and often for the whole Nation, are pioneering efforts.

Expenditures of State and Federal funds for maternal and child health programs showed appreciable increases over the previous years, as the State programs continued their further development with the additional Federal funds provided under the 1950 amendments to the Social Security Act. The expenditures in 1952 of Federal maternal and child health funds exceeded those in the previous year by approximately $730,000, and approximately $1,500,000 more in Federal money was spent for the crippled children's programs.

A number of crippled children's programs secured increased State funds during the year. In other programs, State funds available remained at the same level, and in a few States the amounts were slightly decreased.

Although figures for the country as a whole are not yet available, few major changes appear to have been made in the amounts appropriated by the States for the child welfare program for the fiscal year 1952. Changes usually took the form of increases.

CHILDREN SERVED

More mothers and children received services under State maternal and child health programs in the calendar year 1951 than in 1950. The largest increases were in services provided for infants and preschool children. Almost 395,000 infants and 565,000 preschool children attended child health clinics, an increase of 30 percent and 35 percent, respectively, over 1950. Physicians made nearly 2,394,000 examinations of school children, almost 8 percent more than in 1950. Dentists or dental hygienists made dental inspections of 2,466,000 school children. Approximately 189,000 expectant mothers attended prenatal clinics in 1951, an 8-percent increase over 1950. But the number of women who received postpartum medical examinations decreased 11 percent—from approximately 59,000 in 1950 to 53,000 in 1951. About 1,821,000 persons were immunized against smallpox and over 1,819,000 against diphtheria, increases of 13 and 17 percent above the 1950 totals.

More children received help under the federally aided crippled children's programs during 1951 than in any previous year. An estimated 225,000 children received physician services, about 5 percent more

than in 1950; this includes clinic service, other physician's service, hospital in-patient care, and convalescent home care. Almost two-fifths of these children were new to the program.

More than four-fifths of the children (183,000) were seen by physicians at clinics during the year. Approximately 33,000 children received other services by physicians, through home or office visits. In addition, one child in five was hospitalized, and about 3 percent received convalescent home care.

Over 258,000, 2 percent more than in 1950, were receiving child welfare casework services from State and local departments of public welfare in December 1951. Most of these services were financed from State and local funds. Forty-one percent of the children were living with parents or other relatives; 42 percent were in foster-family homes; and 17 percent in children's institutions or elsewhere.

Children in 162 more counties were receiving services from full-time public child welfare caseworkers (assigned exclusively to one county or serving several counties) on June 30, 1951 than on June 30, 1950, bringing the total number of counties receiving such services to 1,492, or about half of the 3,187 counties of the United States.

The number of State and local professional employees devoting full time to the public child welfare program between June 30, 1950, and June 30, 1951, increased 8 percent, bringing the total number of such employees to 4,465. The number of full-time child welfare caseworkers paid from Federal funds increased from 756 to 888. The number of counties served by workers paid from Federal funds increased from 675 to 872. Three out of four of these counties were predominantly rural.

TRENDS IN STATE AND LOCAL SERVICES

The services usually provided under State maternal and child health programs are those concerned with the health supervision of expectant mothers, infants, preschool, and school children, with a limited amount of medical and dental treatment. All State programs for crippled children provide diagnostic services for children with physically handicapping conditions. Within the limits of their funds, all States provide skilled treatment for some children. This may include medical care, hospitalization, and convalescent care.

Because a premature infant's risk of dying is about nine times greater than that of a fully developed infant, improvement of care for these infants has continued to receive emphasis. Special attention is being given to the preventive aspects of prematurity, to joint responsibility of the obstetrician and pediatrician, to early recognition and adequate services for women with complications of pregnancy; and to improving standards of care by hospital consultation, by developing

opportunities for professional training, and by the actual provision of care through the purchase of service.

States have furthered the development of health services for children of school age by increasing their efforts to coordinate services of health and education through joint planning at the State level. For example, Arkansas as part of an organized 5-year plan has established school health programs in pilot schools throughout the State with study of techniques and policies provided for in annual workgroups. In Louisiana, an interdepartmental committee representing the State health and education departments focused on community organization in relation to the school health program.

The California department of public health has entered into contractual agreements with the departments of pediatrics at the University of Southern California School of Medicine and the Stanford University Medical School, providing for pediatric consultation services. The Tennessee crippled children's division and Vanderbilt University are working together to improve nursing practice in the State crippled children's program, and Wayne University is working closely with the maternal and child health program in Michigan to help nurses improve their services in this area.

Perhaps an outstanding example of the trend toward broadening State crippled children's programs has been the rapid development of services for children with congenital heart disease. The Children's Bureau has developed a Nation-wide plan for regional programs, to make expert diagnostic and treatment facilities available to children who live in States without such services. Three such programs are in operation (in Connecticut, Illinois and California); two (in Maryland and Texas) will be ready to start operation early in the fiscal year 1953.

The interest of the States in extending services to children with hearing loss gained momentum during the year. Notable examples are: the State-wide speech and hearing program in Tennessee, the center for the hard-of-hearing in Houston, Texas, plans for a speech and hearing center in Los Angeles, California, to which State agencies may send children, and the hearing program being developed in Arizona in cooperation with the schools and other agencies. A number of States have extended their speech and hearing programs to cover a wider geographical area.

Several States (Arizona, Arkansas, California, Connecticut, Massachusetts, and Oklahoma) are developing programs for children with epilepsy, and Maryland, Iowa, Illinois, and Utah have programs in operation. Thirty-two States provide coverage for children with acute rheumatic fever or chronic rheumatic heart disease as a part of their crippled children's program: 24 of these States have been receiving special project funds to assist them with the programs. At least

four States increased the geographic coverage or scope of services to children with rheumatic fever.

Reaching children before their troubles become so serious that they must be removed from their own homes is a major objective of the child welfare program. Throughout the country, interest and concern on the part of both public and voluntary agencies in strengthening and safeguarding the child's home through providing social services to children in their own homes increased during the year.

Some State agencies (notably Alabama, California, Florida and New York) have given particular attention to the relationship between the child welfare and aid to dependent children programs and to methods of providing social services to children in families receiving aid to dependent children. The Children's Bureau and the Bureau of Public Assistance formed a joint working group during the year to consider what services were needed for children receiving aid to dependent children, and what the contribution of the aid to dependent children and child welfare programs should be.

Interest in homemaker service as part of a program of social and health services is growing. The agency selects women chosen for their skills in homemaking, and their ability to get along with others and to adjust to various situations, and places them in homes where children lack their mother's care because of death or illness. Councils of social agencies were trying to extend or develop this type of service in Worcester, Massachusetts; Dallas, Texas; San Francisco and Los Angeles, California; Toledo and Dayton, Ohio; and South Bend and Richmond, Indiana; several States initiated homemaker service as part of their public child welfare programs. The development of more protective services for children who are neglected or abused by their parents has continued. Denver, Colorado, St. Paul, Minnesota, St. Louis, and Chicago gave particular attention to these services.

A number of States reviewed and strengthened standards for licensing foster family homes, child-placing agencies, and children's institutions. Public and voluntary agencies gave more attention to helping foster parents and cottage parents and other staff members in children's insitutions provide better care for children. Although the children in foster family care increased in many communities, the need for additional foster family homes is still urgent.

Wide-spread public interest in adoption continued. The Arizona Bar Association sponsored legislation for improving the adoption law; a civic group in Portland, Oregon, studied the adoption law and recommended further legislation to improve it; California developed State and local citizen's groups to study and foster sound adoption programs. Both public and voluntary agencies were trying to provide better services to children and adoptive parents and to improve adoption programs. Many agencies are giving more attention to the

need of older children for adoption as well as to placement of infants at an earlier age.

BUILDING STAFF FOR SERVICES

If services to children are to be of value, they have to be manned by competent people. Even though colleges and universities are trying hard to increase the number and the skills of people to work with children, the demand for these workers far exceeds the supply.

For this reason one of the major uses to which State agencies put their Federal grants is in special training of workers. They help finance the cost of courses, institutes, and work groups where doctors, nurses, social workers, and others can go for specialized training in services to children. They use some of their Federal-State funds for stipends and tuition for people to take advanced training. Training opportunities in such specialized areas as audiology (the science of hearing), rheumatic fever, epilepsy, and care of premature infants were utilized more fully by the States during the year. Those completing the special training project in audiology at the University of Iowa went to positions in States over a wide area. The 1952 rheumatic fever workgroup in Connecticut was attended by medical, nursing, medical-social, and administrative personnel from rheumatic fever programs in California, Kentucky, Nebraska, New Hampshire, Oklahoma, and Washington. The epilepsy training program in Massachusetts trained six physicians and five electroencephalographic technicians in its first 6 months. This year the institutes sponsored by the New York Hospital Premature Training Project were attended by teams of physicians and nurses from New York City, New York State, Connecticut, Florida, Maine, New Hampshire, New Jersey, North Carolina, Massachusetts, and Pennsylvania.

Additional training facilities in public health nutrition have been set up by two schools of public health (Minnesota and Pittsburgh). Other educational institutions are attempting to bridge the gap between the demand and supply of nutritionists by offering for the first time a major in public health nutrition. A few States are providing workers with stipends for the second year of medical-social work training or for an internship program in medical-social work in a hospital. Special medical-social training projects have been established by three State agencies (Illinois, Louisiana, Massachusetts), with schools of social work cooperating.

The shortage of maternity and pediatric nurses is particularly serious. Advanced programs of study in maternity and pediatric nursing have been developed in six university centers. Scholarship funds are not yet sufficient to meet the requests of many young nurses who wish to specialize in maternal and child care.

Health personnel working with mothers and children need understanding about the emotional growth and development of children. Many State agencies have been active in this field in holding workgroups in child development for physicians, nurses, and other personnel and in helping medical schools provide training in maternal and child health work. The Children's Bureau assisted in the establishment of faculty positions in child psychiatry by two pediatric departments (at Johns Hopkins and Yale). The Institute for Medical Social Workers on growth and development of children, organized by the Harvard School of Public Health at the request of the Children's Bureau, was enthusiastically received.

State public welfare agencies are making steady progress in training and staff development programs for child welfare staff. This is reflected in increases in the positions for special consultants on staff development budgeted on Federal funds; in the number of field work training units developed in cooperation with schools of social work; in the amounts budgeted for professional education; and in the number of States budgeting funds for salaries of new workers during orientation before enrollment in a school of social work. Workgroups and institutes including representatives from other public agencies serving children and from voluntary agencies are being used to a greater extent as a medium for staff development.

Focus on Four Fronts

During 1952, the Bureau worked intensively in four areas that it believed were of crucial importance to the welfare of children in this country.

JUVENILE DELINQUENCY

During the past 3 years the number of delinquency cases that are handled by juvenile courts in this country rose almost 20 percent. Census figures make it clear that, as a result of high birth rates during and after World War II, by 1960 there will be 45 percent more children between 10 and 17 years of age than in 1950—the age range in which most juvenile delinquency cases fall. Even with no change in the delinquency rate, law-enforcement agencies will be dealing with 45 percent more children in 1960.

A million or so boys and girls are picked up by the police each year. We know that many of the men and women who fill our adult prisons have juvenile delinquency records. Perhaps many of these children if they got the help they needed could be spared a criminal career.

In January the Bureau began an intensive review of the problems of juvenile delinquency and of provisions and procedures that have been developed to meet these problems, including its own program.

Then the Bureau called a meeting, to which a broad cross-section of persons concerned with juvenile delinquency control were invited, to test its own conclusions and to benefit by the thinking of these experts.

Subsequently the Bureau established a Juvenile Delinquency Branch in its Division of Social Services. This new Branch works closely with a special Juvenile Delinquency Project sponsored by the Children's Bureau and financed by private contributions for this purpose to the Child Welfare League of America. Together, the new Branch and the Project will assemble what is known about the causes and treatment of juvenile delinquency. They will help national, State, and local citizen groups to develop programs to help delinquent boys and girls.

INFANT MORTALITY

In the United States as a whole the mortality rate among babies less than a year old has been going down for three and a half decades—from 100 deaths per thousand live births in 1915 to 29 per thousand in 1951, an all-time low. Many things have contributed to this reduction. Certainly high on the list must go better sanitation, better control of communicable diseases, and improvements in pediatric and obstetric practice, the growth of maternal and child health services in States and communities, and an increased knowledge and understanding by parents and by professional workers of the care required by infants to assure survival and healthy development during the first year of life.

But when we break the figures down, the picture is not quite so bright. Many counties in the country—largely rural—still lag half a decade or longer behind the counties where rates have decreased the most—metropolitan counties or counties with a city of 50,000 or more population. In the 4 years 1946–49, nearly 60,000 infants died who would have been saved, if these counties had had as low an infant mortality rate as the average for metropolitan counties.

Over 60 percent of the counties of the United States had higher infant mortality rates during 1946–49 than prevailed in metropolitan counties. The majority of these high rate counties, 80 percent, were in States in the southeastern and southwestern parts of the United States. Mortality in the first year takes a needlessly high toll of infant lives among our Negro population, among Spanish-speaking families, among the Indian groups, and in families of migratory workers.

Premature birth continues to be listed today as the leading cause of infant mortality, accounting in 1949 for more than one-third of all deaths in the first year of life and more than half of those in the first month. Probably over 200,000 babies a year are born prematurely.

Good prenatal care of mothers can help to reduce the incidence of prematurity, and thus save infant lives.

The problems connected with saving babies' lives involve more than medical problems. They are physical, social, economic, and cultural as well. They involve low incomes, poor sanitation, and the habits of people. Not only must more doctors, nurses, nutritionists, and medical social workers be made available but people must be helped to make the most effective use of medical services and facilities and to help themselves in improving environmental conditions and personal health. This underlines the importance of parent education, full citizen participation, and the skillful development of a maternal and child health program adapted to the cultural pattern and ways of living of the people in the local area.

Programs focused on reducing these high infant and maternal mortality rates in rural counties must, of course, be a part of and integrated into the State and community health programs. If a local health unit is already established, maternal and child health services should be operated in and from that unit. In areas with few or no health facilities, additional local health centers designed to make a frontal attack on infant and maternal mortality may need to be organized. These must always be kept closely related to the other services and facilities essential to an effective program, such as the skills and services of the public health officer and sanitary engineer, and treatment in doctors' offices.

These local health centers would serve as the local headquarters not only for health officers and generalized public health nurses, but also for doctors, maternity nurses, nutritionists, medical social workers, and special public health workers trained in developing and using local resources and in working with citizen groups—that is, community organization for health. They would also provide facilities for prenatal clinics, child health conferences, and parent education classes.

The staff of these centers would perform a double function. They would provide direct preventive health services to mothers and children, including an understanding of what goes into the promotion of physical, social, and emotional health. In the process of doing this the staff would also educate mothers in personal, home, and neighborhood hygiene and sanitation. Expectant and nursing mothers would be assisted and instructed on the selection and preparation of foods to meet their special needs and the needs of their children. The importance of the control of insects, of sewage disposal, of protection of milk and water supplies would be taught in the course of home visits.

A critical problem in all health services is, of course, the scarcity of trained medical personnel. Physicians' services are basic to all

maternal and child health care. Other supporting professional services are also essential. The selection of young people from within the areas most in need of the services, the training of such students within these areas, insofar as is possible, and the building of strong incentives for their services where most needed should be developed.

CHILDREN IN MIGRANT FAMILIES

Children in migrant families have fathers and mothers who live in fear of never having enough of anything for their families—enough food, adequate shelter, decent clothing, good education, medical care. As they follow the crops, these families move from one makeshift quarter to another, badly overcrowded, dirty, unsanitary, dilapidated.

Migrant families are large families. A field survey conducted in Colorado between July and October 1950, covering 262 representative families, showed that the average family consisted of 5.7 persons. Children 14 years and under constituted 44 percent of the total group. The average cash income per family from all sources was $1,424 per year as compared with $3,300 for all families in the United States in 1950; about two-fifths had incomes of less than $1,000.

Three-fourths of the children between 7 and 16 years of age worked more than 7 hours a day; some about 12 hours. A few started work in the fields before they were 5 years old—two-fifths before they were 10.

Health and medical care for infants and children and provision for adequate maternity care were practically nonexistent. The infant mortality rate for these families was twice as high as the rate for Colorado as a whole.

The Colorado study included 100 families where the mother was working in the fields and had children under 10 years of age. Forty-one families took their babies and small children to the fields with them; 26 had older children who took care of the children under 10; 12 had "elderly people" look out for the children; 11 left them with neighbors or relatives; 8 left them home unattended; and 2 sent them to day nurseries.

Help from the Federal Government is needed to assist the States and local communities in extending and adapting their child health and child welfare services to these migrant families. Responsibility for administering these services should be placed in the State and local departments of health and welfare so that services can be built upon existing programs, even though substantial adaptations will have to be made in these programs to meet the needs of families who follow the crops.

Special administrative problems have to be solved in providing these services. A single community may have a large number of migratory agricultural workers certain seasons of the year; in other

seasons very few or none at all. Local health and welfare departments do not usually have enough workers to meet such peak loads. These families and their children must be provided with a continuity of services which may make special, and perhaps mobile, maternity and pediatric clinics necessary. Hospital care may be needed in many cases. It is always needed for maternity care. Day-care services will have to be organized in or near the places where the parents live while they are working in a particular community. Recreational activities, particularly for adolescents, will also be needed.

Because migratory workers are in a given community such a short time, regional, interstate, and State-wide planning is needed. Federal funds should be channeled to States with sizable migrant problems. Some of these funds should be used in setting up special demonstration projects. All the programs with responsibility for working on the migrant problem—Federal, State, and local, public and voluntary—should be brought into effective coordination. In these projects, new methods of providing service would be tried out and State and local personnel would be trained.

The Children's Bureau should have special staff to give their full time to the problem of health and welfare services for children of migratory workers. This staff would keep in touch with developments throughout the country, learn what has succeeded and what has failed, and make this information available to States and localities. They would help States in their planning and stimulate local action. The Children's Bureau should also have authority to employ and provide personnel who could meet specific needs in States and localities and work in more than one State.

Many variations in this approach would have to be worked out for other programs in the Federal Security Agency and elsewhere in the Federal Government. School programs represent one of the most urgent needs—and educational authorities are faced with many stiff problems in this area. The same is true for the public assistance and the other social security programs, as well as the various public health programs.

RESEARCH

The Children's Bureau is the one agency of the Federal Government with a clear legislative mandate to inquire into and keep the country informed about what is happening to children whose welfare is in jeopardy and to consider what is being done and what can be done about it. As set forth in the Act of 1912, the original and continuing purpose of the Children's Bureau is to "investigate and report . . . upon all matters pertaining to the welfare of children and child life among all classes of our people."

Nevertheless, for the past 15 years or so, the heavy responsibilities and pressing duties carried for other children's programs in the war and postwar years have prevented the Bureau from moving forward in research. Hoping to close this gap between program operation and research, the Bureau in recent years has discussed the research aspects of its work with experts in various fields and has received from them many helpful suggestions.

In 1952 the Bureau undertook a detailed review of the role of its research as judged by its past studies, present activities, and suggestions made by the experts consulted. On the basis of this review the Bureau arrived at a plan which includes both a comprehensive statement of the scope of the proposed research program and a description of areas in which studies could be profitably carried on in the near future.

Most of the Bureau's past studies fall under the following headings: infant and maternal mortality, child health, economic handicaps to children's well-being, child labor, adoption, foster care, juvenile delinquency, and children lacking adequate care and protection. Many of these studies either directly or indirectly resulted in legislative action—State or Federal—to improve the lot of children, such as the Sheppard-Towner Act, aid to dependent children, maternal and child health services, services to crippled children, and child welfare services under the Social Security Act, child labor provisions of the Fair Labor Standards Act, and better State adoption, juvenile court, and guardianship laws.

For the present, at least, the Bureau proposes to hold rather close to the line suggested by these past studies, focusing its research on children whose health or welfare are in jeopardy. Studies of such children can add greatly to our knowledge of children and child life in general, for they will raise and deal with questions of fundamental importance for the welfare and health of all children.

The proposed scope of the Bureau's research embraces theoretical as well as practical investigations. Studies such as the following will give the Bureau knowledge upon which sound programs must be built, new leads for services discovered, and established services evaluated.

What are the characteristics and extent of social or economic conditions deemed harmful to children (e. g., employment of mothers, "black markets" in babies, low family income)? Are they actually harmful? If so, what is being done or might be done about them?

By what personal disabilities are children handicapped? How are children with handicaps to be discovered (e. g., physically or intellectually handicapped children, juvenile delinquents, children who are homeless or neglected)?

What does it "do" to children—physically, emotionally, development-wise—to live under specified adverse situations or to have specified personal handicaps? What kinds of help do children who are handicapped in particular ways require? How can the handicapping conditions and situations be prevented?

What is the nature of the present service programs: their objectives, clientele, extent and coverage, effectiveness, cost, administrative problems?

How effective are these programs in reaching children in need and in improving their situation or condition? How effective are particular methods and measures used in these programs? What are the effects of these measures on children and their families?

What scientific knowledge and ideas have not yet been utilized in service programs or throw doubt upon the validity of current practices?

What special knowledge and abilities are required of persons, professional and nonprofessional, who work with handicapped children? How can these people be effectively trained for their work?

The expanded program of research described here would provide a sound base for effective health and welfare services for children. Legislative authorization is also needed for making grants to universities and research institutions and to individuals in many different parts of the country who are studying various aspects of the well-being of children.

Interdepartmental Committee on Children and Youth

The Interdepartmental Committee on Children and Youth, established in May 1948 at the request of the President, concluded its fourth year in June 1952.

The Interdepartmental Committee, with the aid of the Josiah Macy, Jr. Foundation, held an Interagency Conference on Healthy Personality Development in Children at Princeton, N. J., September 21–25. Eighteen representatives from 17 bureaus or subdivisions of seven Federal departments and agencies attended. The Foundation provided for the attendance of nine consultants from fields such as psychiatry, pediatrics, psychology, sociology, cultural anthropology, and social work, the director of fact-finding of the White House Conference, the executive secretary of the National Midcentury Committee for Children and Youth, and four consultants from Government agencies.

The purpose of the Conference was to consider how the basic philosophy, approach, and findings of the Midcentury White House Conference on Children and Youth could be woven into Federal programs concerned with the well-being of children and young people.

In February the Interdepartmental Committee held a one-day seminar "to consider the White House Conference concepts on healthy personality development in relation to juvenile delinquency and to discuss the application of these insights in Federal programs that have a direct or indirect bearing on the prevention, control, and treatment of juvenile delinquency." It was attended by 59 representatives from 10 departments and independent agencies of the Federal Government, including committee members and staff specialists from 21 bureaus and other subdivisions.

Follow-up on the Midcentury White House Conference

The staff of the Children's Bureau has been working closely with the National Midcentury Committee for Children and Youth and with State committees on the follow-up program of the Midcentury White House Conference.

Forty-five States and all the Territories have State or Territorial committees designated for follow-up activities. Some of these groups operate independently, others through a State department that has responsibilities for children and youth. Generally throughout the country State public welfare and health departments are represented in these groups.

During the past year the Bureau has made intensive efforts to work closely with the national voluntary agencies in the health and welfare field and with national citizens' organizations on projects related to the follow-up of the White House Conference and on national and local planning for strengthening programs for children and youth.

International Cooperation

In its international activities, the Bureau attempts to serve children by sharing knowledge and experience with other countries and by receiving from them the benefit of their knowledge and experience.

During the year, 10 staff people were working abroad, five in child welfare and five in maternal and child health, under the Department of State's Point Four program for technical assistance to other countries.

All technical specialists who go abroad have teaching as a major responsibility. Three staff members taught full-time in recognized schools of social work in India, Bolivia, and Peru; two organized and taught courses for the training of subprofessional workers in El Salvador to prepare these workers to give medical social services in hospitals, and in Brazil to function as child welfare casework aides in the maternal and child welfare centers maintained by the Brazil Children's Bureau. Consultation in maternal and child health was given by a physician in Iraq, two nurses in Mexico, and a nurse in Egypt; consultation in child welfare was given to a voluntary children's agency in Pakistan.

During the fiscal year, programs of observation and study were planned and arranged for 66 visitors (in this country for periods varying from a month to 2 years) from 29 countries; and interviews, group discussions, and brief observation (for periods varying from a day to several weeks) for 257 visitors from 48 countries.

The visitors for whom planned observation and study is arranged come to the Children's Bureau through the United Nations Secretariat, the World Health Organization, the U. S. Department of State, the

visitors' own government, voluntary organizations in the visitor's country or in this country, and "on their own."

Next Steps

Periods of special strain and apprehension, such as the present, create special problems for children. If, as a Nation, we want to help in building the kind of world in which an enduring peace, with freedom and justice for all, will be achieved, children's needs must stand high on the list of priorities for services and for funds for research that will show how best to help them develop inner resources, the knowledge and capacities for responsible living.

The expansion of the maternal and child health, crippled children's and child welfare services programs in the States is greatly needed. Many children in need of these services are not now getting them. The full amounts authorized in the Social Security Act for grants to States for these three programs are now needed by the States as a minimum next step. Health and welfare services for children, and research in child life to guide the development of the services, need to be expanded so that, when public and private resources are considered together, the services may become available to all children in all parts of the country.

Help from the Federal Government is needed to assure that the essential child health and welfare services are available for children of migratory agricultural workers who move from community to community and across State lines tending and harvesting the crops. By and large these services do not now reach these children. The educational opportunities which every child in this country should have as a matter of right must also be provided for them.

The States need the help of the Federal Government in extending and improving services for the prevention and control of juvenile delinquency, and to make certain that boys and girls who get into trouble will receive care and treatment which uses our best knowledge about how they can be helped to become good citizens. Proper steps taken when these children and young people first get into trouble will help keep them out of the ranks of adult criminals later on. Such a program should be coordinated or integrated with State or local child welfare services and with other services for children.

Special help and attention are needed to assist the States which have maternal and infant mortality rates that are higher than the national average—States located principally in the Southeast and Southwest—to undertake an all-out attack on this problem, to stop this wastage of our human resources.

To maintain a high quality of service in the child health and child welfare programs, the number of adequately trained personnel needs

to be increased. Shortage of well-trained people is one of the major problems these programs face. It is recommended that funds be appropriated to the Federal Security Agency and authority given the Agency to use these funds to extend and strengthen facilities to train personnel for State and local child health and child welfare services. Authority should include use of these funds to provide special assistance to States to finance the training of personnel, particularly for States urgently in need of increasing the number of trained persons to serve children through these programs.

An expanded program of research is needed to provide a sound base for effective health and welfare services for children. We need to learn more about the circumstances of present day living that affect children adversely, to extend our horizons of knowledge about the many factors that affect child growth and development, and to study the many different ways of providing services in order to learn which works best. Additional funds are needed to strengthen the research activities of the Children's Bureau. Legislative authorization is needed for making grants to universities and research institutions and to individuals in many different parts of the country who are studying various aspects of the well-being of children.

Federal Credit Unions

Federal credit unions strengthen the local community. They are a form of economic self-help at the local level. Each is chartered to serve a group of persons who have interests in common because they work for the same employer, worship at the same church, belong to the same labor union, or reside in the same community. Each credit union is limited in its scope of operations by the terms of its charter. It may accept savings in the form of payments on shares, and it may grant loans to members from the funds thus accumulated.

A Federal credit union is a voluntary association. A charter is granted only to a qualified group that has made a request to the Bureau of Federal Credit Unions. The officials of each credit union are elected by the membership and must be members of the credit union they serve. Except for the treasurer, who may be compensated out of earnings of the credit union on authorization of the members, these officials are not paid. In discharging their responsibilities they gain experience in leadership and management, and in a practical way learn the lessons of responsible citizenship in their community.

The basic purposes of a Federal credit union are to encourage its members to develop habits of systematic saving out of current earnings and to provide a source of short-term installment loans at reasonable rates for members. The convenience of facilities for making payments and the practice of accepting savings in installments as small as 25

cents a month make it easy to save. In addition, credit union officials carry on a variety of educational methods to promote the habit of saving.

The forerunners of modern credit unions were established as one means of lifting the yoke of the usurer from the necks of small-scale farmers and city workers whose income was close to the subsistence level. Today, most credit union leaders believe that protecting members from the exactions of the high-rate money lenders continues to be a major purpose of credit unions. The Federal Credit Union Act contains several provisions that keep Federal credit unions in the small-loan field. Federal credit unions use no Federal funds to make these loans.

Within limitations specified by law, the board of directors of each Federal credit union fixes the loan limits and interest rate. The combination of thrift promotion and installment loan service is practical and effective. Because of the tie-in, the credit union officials are in a position to teach the art of thrift and the wise use of consumer credit—two essential elements in modern family budgeting.

The Federal Credit Union Act became law on June 26, 1934, and the first Federal credit union was organized on October 1st of that year. As of June 30, 1952, there were 5,662 in operation, serving 2,671,212 members whose savings in these institutions totaled $518.6 million. Assets totaled $569.1 million, of which $351.8 million was outstanding in loans to members.

There is a dual system of credit unions in the United States, comparable to the situation in the banking field, where there are both State and national banks. The Massachusetts credit union law was enacted in 1909. By 1934 there were credit union laws in 38 States and the District of Columbia. At that time some 2,200 credit unions were operating under these laws. They had approximately 400,000 members and $40 million in assets. At the end of 1951, the latest date for which information is available, 44 States, the District of Columbia, and Puerto Rico had credit union laws, and 5,888 credit unions with 2.7 million members and $698.2 million in assets were in operation.

Federal credit unions are in operation in each of the 48 States, the District of Columbia, Alaska, the Canal Zone, Hawaii, and Puerto Rico. Of the total of 5,662 at the end of the fiscal year, 812 were serving associational groups, 4,718 occupational groups, and 132 residential groups.

The Year's Operations

The Bureau of Federal Credit Unions supervises the operations of the credit unions chartered under the Federal act. It makes investigations of groups applying for charters, issues charters to qualified

groups, prepares and distributes manuals for the guidance of Federal credit union officials, makes examinations of and generally supervises the operations of established units, and makes studies relating to cooperative saving and lending activities among people of small means. These functions have a social as well as an economic importance for the people concerned. Credit unions build a sense of economic security based partly on a cushion of savings and partly on the member's knowledge that he has access to a source of reasonably priced credit in case of emergency. This sense of security seems to be only partly measured by the number of dollars involved. For many members, association with the credit union marks the first step in the development of this sense of economic security. The ability to arrange expenditures for family maintenance in such a way that there is a part of the periodic income left over at the end of the month must be acquired. Once acquired, it tends to carry over into more long-range thrift programs, such as the purchase of a home, U. S. Savings bonds, and a life insurance program.

The amount any person can save is limited by the amount of his income and the aggregate amount of obligations to be covered by that income. Very few workers, for instance, can build up, through personal thrift alone, an adequate retirement income or continuing protection for their dependents after their death. The credit union can serve to complement and to supplement the services provided by other programs that deal with welfare and economic security. The potential good to be accomplished through economic self-help in cooperative thrift and consumer credit organizations at the local level among workers and their families justifies the inclusion of the Federal credit union program among this Nation's social security programs.

The administration of the Federal Credit Union Act since 1934 has been financed in part by appropriations authorized by Congress and partly by fees paid by Federal credit unions. Before April 25, 1949, when the first of a series of increases in examination fees became effective, each Federal credit union examined paid a fee computed at 25 cents per $100 of assets or at the rate of $25.72 per examiner day, whichever was the lower. The rates in effect during the fiscal year 1952 were 50 cents and $56, respectively. The revenue from examination fees was $556,736 in the fiscal year 1952 as compared with $449,847 during the preceding year. This revenue approximately covered the cost of the Bureau's examinations.

Each Federal credit union also pays an annual supervision fee, which has been assessed at $10, the maximum permitted by law. In April 1952, Congress amended this provision of the Federal Credit Union Act to provide, beginning in January 1953, an annual supervision fee in accordance with a graduated scale based on assets. The units with assets of $34,000 or more will pay more than $10 per year.

It is estimated that this fee will provide approximately $184,000 in revenue during the fiscal year 1953 and increasing amounts each year thereafter as Federal credit unions grow in size and numbers. Revenue from examination fees, supervision fees, and from the $25 charter fee for each new Federal credit union will be sufficient, it is estimated, to cover the operating costs of the Bureau by the fiscal year 1955 or 1956. For 1953 the Bureau has an appropriation of $200,000 and will collect an estimated total of $1,093,127 in fees.

During the fiscal year 1952 the Bureau issued 581 charters. Applications for 501 of these were prepared and submitted by volunteers or employees of State or national credit union organizations. Because of this assistance, Bureau field examiners had to do the initial work of chartering and organizing for only 80 credit unions, which took approximately 1 percent of their official work-time.

Of the 3,999 examinations made during the year, 102 were final examinations of liquidated units and 68 were examinations involving an actual or suspected defalcation. Although shortage examinations accounted for only 1.7 percent of the total number, they required nearly 10 percent of the staff time devoted to examinations. Average assets of all units examined were $93,093, as compared with $76,570 in the fiscal year 1951. The average time for making an examination was 3.3 days, as against 3.0 days in 1951. Seventy-four percent of the Federal credit unions in operation at mid-year (December 31, 1951) were examined during the year as compared with 82 percent during the fiscal year 1951.

On June 30, 1952, the Bureau had only 137 employees, 19 in the Washington office and 118 in the field service. At the end of fiscal year 1951, there were 153 in all, with 21 in the Washington office and 132 in the field. During the first half of the fiscal year 1953 it is planned to increase the field examiner staff from 70 to 135.

During the year, two other amendments to the Federal Credit Union Act were passed by Congress. One extended the provisions of the act to the Virgin Islands; the second increased the investment authority of Federal credit unions to include shares and accounts of insured State-chartered building and loan associations.

Strengthening Credit Unions

The needs of credit unions change as they become larger and as the requirements of their members for installment-loan credit change. The purpose of the following recommendations is to encourage appraisal of the needs and preparation for meeting them.

Experience indicates that, under existing law, the larger Federal credit unions lack the flexibility necessary in their administrative

operations in order to function efficiently. It will therefore be desirable soon to accord greater flexibility in this respect to Federal credit unions with assets above a certain amount, possibly $500,000 or more. Further studies are necessary to determine the nature and extent of the changes that should be made in the law for that purpose.

The Bureau has for some time been studying, and has discussed with representatives of the credit union movement, the question of insurance of members' savings or shares in credit unions, a question that has also been brought before the Eighty-second Congress by various bills. Further study of this subject within the movement and by the Bureau is desirable with a view to determining the need for such insurance and what, if any, legislation on the subject is desirable.

Some 815,000 Federal employees were eligible for membership in Federal credit unions on December 31, 1951, and it is conservatively estimated that the number eligible for membership in State-chartered credit unions was at least as large. Credit unions have thus become a significant factor in personnel administration in the Federal service. It is suggested that agencies and groups interested in the welfare of Federal employees, such as the Federal Personnel Council, study such credit unions to determine how they may be made more effective and useful.

If further growth of the credit union movement is not to be impeded, there is need for central agencies or facilities to enable State-chartered and federally chartered credit unions to borrow funds promptly and at reasonable rates, when their own resources are inadequate to meet the loan demand of members. Here, too, further study within the credit union movement as well as by the Bureau is necessary in order to develop the most satisfactory method of meeting this need.

Table 1.—*Social Security Administration: Funds available and obligations incurred, fiscal years 1952 and 1951*[1]

[In thousands; data as of June 30, 1952]

Item	Funds available[2]		Obligations incurred	
	1952	1951	1952	1951
Total	$1,245,841	$1,371,335	$1,245,633	$1,290,017
Grants to States	1,181,500	1,310,250	1,181,499	1,231,633
Public assistance	1,150,000	1,280,000	1,150,000	1,201,747
Old-age assistance	1,150,000	1,280,000	785,900	836,733
Aid to the blind			29,300	26,578
Aid to dependent children			296,268	318,179
Aid to the permanently and totally disabled			38,532	20,257
Maternal and child health and welfare services	31,500	30,250	31,499	29,886
Maternal and child health services	12,524	13,200	12,523	12,881
Services for crippled children	11,386	9,975	11,386	9,930
Child welfare services	7,590	7,075	7,590	7,075
Administrative expenses[3]	64,341	61,085	64,134	58,384
Office of the Commissioner[4]	331	335	330	332
Bureau of Old-Age and Survivors Insurance[5]	59,927	56,988	59,727	54,371
Bureau of Public Assistance	1,653	1,486	1,651	1,447
Children's Bureau[6]	1,585	1,500	1,581	1,480
Bureau of Federal Credit Unions[7]	845	776	845	754

[1] Funds available and obligations as reported by administrative agencies.
[2] Funds made available by regular and supplemental appropriations, authorizations, transfers, allotments, and recoveries.
[3] Funds made available and obligations incurred for salaries, printing and binding, communications, traveling expenses, and reimbursement items for services rendered to other Government agencies.
[4] Approximately 65 percent of the administrative expenses of the the Office of the Commissioner was appropriated by Congress from general revenues; balance from old-age and survivors insurance trust fund.
[5] For administration of the old-age and survivors insurance program, which involved benefit payments of $1,498,088.000 in 1951 and $1.982,377,000 in 1952.
[6] Includes expenses for investigating and reporting on matters pertaining to the welfare of children authorized by the act of 1912, as well as expenses for administration of grants to States.
[7] Fee collections for services rendered to member credit unions represent approximately 67 percent of obligations incurred in 1951 and 73 percent in 1952.

Table 2.—*Financing social insurance under the Social Security Act: Contributions collected and trust fund operations, fiscal years 1950–52*

[In millions]

Item	1952	1951	1950
Contributions collected under:			
Federal Insurance Contributions Act [1]	$3,594	$3,120	$2,106
Federal Unemployment Tax Act [2]	259	234	226
State unemployment insurance laws [3] [4]	1,432	1,365	1,094
Old-age and survivors insurance trust fund:			
Receipts, total	3,932	3,411	2,367
Transfers and appropriations [5]	3,598	3,124	2,110
Interest and profits on investments	334	287	257
Expenditures, total	2,067	1,569	784
Monthly benefits and lump-sum payments [6]	1,982	1,498	727
Administration [7]	85	70	57
Assets, end of year	16,600	14,736	12,893
State accounts in the unemployment trust fund:			
Receipts, total	1,606	1,510	1,248
Deposits [4]	1,439	1,363	1,099
Interest	167	148	149
Withdrawal for benefit payments	1,000	848	1,879
Assets, end of year	7,920	7,314	6,652

[1] Contribution paid by employers and employees on wages up to and including $3,000 a year through Dec. 31, 1950, and up to and including $3,600 a year beginning Jan. 1, 1951: 1 percent each through Dec. 31, 1949, and 1½ percent each beginning Jan. 1, 1950. Contributions paid by the self-employed on income earned after Jan. 1, 1951, up to and including $3,600 a year: 2¼ percent. Includes deposits by States under voluntary agreements for coverage of State and local employees beginning May 1951.

[2] Tax paid only by employers of 8 or more. Employers offset against this tax—up to 90 percent of the amount assessed—contributions which they have paid under State unemployment insurance laws or full amount they would have paid if they had not been allowed reduced contribution rates under State experience-rating provisions. Rate is 3 percent of first $3,000 a year of wages paid to each employee by subject employer; because of credit offset, effective rate is 0.3 percent of such wages.

[3] Contributions plus penalties and interest collected from employers and contributions from employees, reported by State agencies; corrected to Aug. 1952.

[4] Contributions and deposits by States usually differ slightly, primarily because of time lag in making deposits.

[5] Includes amounts collected under the Federal Insurance Contributions Act and transfers from the general fund of $3,604,000 for fiscal year 1950, $3,694,000 for fiscal year 1951, and $3,734,000 for fiscal year 1952, to meet administrative and other cost of benefits payable to survivors of certain World War II veterans as defined in title II of the Social Security Act amendments of 1946; beginning May 1951, includes deposits by States under voluntary agreements for coverage of State and local employees.

[6] Represents checks issued; before July 1, 1948, represents checks cashed and returned to the Treasury.

[7] Data do not reflect actual expenses in the respective years because of bookkeeping adjustments.

Source: Compiled from *Daily Statement of the U. S. Treasury* and State agency reports.

Table 3.—*Old-age and survivors insurance: Estimated number of families and beneficiaries in receipt of benefits and average monthly benefit in current-payment status, by family group, end of June 1952 and 1951*

[In thousands, except for average benefit: data corrected to Oct. 31, 1952]

Family classification of beneficiaries in current-payment status	June 30, 1952			June 30, 1951		
	Number of families	Number of beneficiaries	Average monthly amount per family	Number of families	Number of beneficiaries	Average monthly amount per family
Total	3, 278. 7	4, 593. 8		2, 869. 0	4, 033. 6	
Retired worker families	2, 372. 3	3, 109. 8		2, 090. 7	2, 748. 2	
Worker only	1, 691. 7	1, 691. 7	$40. 10	1, 478. 8	1, 478. 8	$40. 90
Male	1, 194. 4	1, 194. 4	43. 20	1, 091. 1	1, 091. 1	43. 50
Female	497. 3	497. 3	32. 80	387. 7	387. 7	33. 60
Worker and wife aged 65 and over	633. 5	1, 267. 0	70. 10	568. 5	1, 137. 0	70. 40
Worker and wife under age 65 [1]	. 4	. 8	58. 40	. 5	1. 0	62. 40
Worker and aged dependent husband	3. 4	6. 8	62. 10	2. 4	4. 8	61. 30
Worker and 1 child	7. 3	14. 6	61. 50	10. 2	20. 4	65. 80
Worker and 2 or more children	5. 0	17. 4	67. 70	5. 6	17. 6	74. 80
Worker, wife aged 65 or over, and 1 or more children	. 8	2. 5	78. 50	. 4	1. 3	93. 40
Worker, wife under age 65, and 1 or more children	30. 2	109. 0	75. 90	24. 3	87. 3	73. 10
Survivor families	906. 4	1, 484. 0		778. 3	1, 285. 4	
Aged widow	421. 3	421. 3	36. 00	350. 1	350. 1	36. 20
Aged dependent widower	. 4	. 4	30. 00	. 2	. 2	30. 60
Widowed mother only [1]	3. 5	3. 5	35. 80	2. 5	2. 5	36. 60
Widowed mother and 1 child	94. 6	189. 2	77. 50	88. 6	177. 2	77. 10
Widowed mother and 2 children	62. 5	187. 5	93. 80	57. 5	172. 5	93. 80
Widowed mother and 3 or more children	53. 2	248. 5	91. 90	43. 8	188. 3	92. 20
Divorced wife and 1 or more children	. 2	. 4	95. 20	. 1	. 2	91. 60
1 child only	154. 1	154. 1	36. 20	128. 0	128. 0	35. 50
2 children	57. 7	115. 4	61. 30	50. 6	101. 2	60. 40
3 children	20. 7	62. 1	78. 30	19. 1	57. 3	76. 70
4 or more children	19. 2	81. 0	80. 70	22. 0	91. 0	82. 80
1 aged dependent parent	17. 4	17. 4	36. 80	14. 7	14. 7	36. 80
2 aged dependent parents	1. 6	3. 2	71. 50	1. 1	2. 2	72. 10

[1] Benefits of children were being withheld.

Table 4.—*Old-age and survivors insurance: Selected data on benefits and taxable earnings, by State, for specified period, 1949–52*

[In thousands, except for average taxable earnings; data corrected to Oct. 30, 1952]

State [1]	Monthly benefits in current-payment status, end of fiscal year		Payments certified, fiscal year			Workers with taxable earnings, calendar year [2]	Amount of taxable earnings, calendar year [3]		Employers reporting taxable wages, July-September [4]
	Number	Amount	Total	Monthly benefits	Lump-sum payments		Total	Average per worker	
1949–50 [5]	2,930.4	$60,682	$748,937	$714,939	$33,998	46,796	$81,808,000	$1,748	2,697
1950–51 [5]	4,033.6	143,709	1,610,032	1,564,558	45,474	48,100	87,498,000	1,819	2,768
1951–52 [5]	4,593.8	161,739	2,034,573	1,976,303	58,270	59,000	120,000,000	2,033	3,610
Alabama	68.7	1,932	24,164	23,401	763	740	995,000	1,345	52
Alaska	2.3	75	942	919	23	60	91,000	1,517	3
Arizona	19.1	627	7,778	7,537	241	220	283,000	1,286	17
Arkansas	36.9	997	12,320	11,948	372	350	413,000	1,180	30
California	371.6	13,589	169,870	165,334	4,536	4,060	6,699,000	1,650	286
Colorado	37.0	1,242	15,419	15,044	375	440	600,000	1,364	34
Connecticut	82.8	3,333	42,598	41,444	1,154	860	1,680,000	1,953	56
Delaware	10.8	396	4,966	4,820	146	170	273,000	1,606	10
District of Columbia	17.2	605	7,674	7,383	291	370	566,000	1,530	26
Florida	102.6	3,532	43,260	42,299	961	930	1,081,000	1,162	78
Georgia	68.6	1,899	23,584	22,791	793	1,010	1,282,000	1,269	69
Hawaii	10.9	337	4,243	4,166	77	130	203,000	1,562	10
Idaho	14.0	427	5,356	5,205	151	190	227,000	1,195	14
Illinois	283.5	10,608	134,994	130,680	4,314	3,590	6,649,000	1,852	223
Indiana	132.7	4,582	57,656	55,988	1,668	1,510	2,669,000	1,768	85
Iowa	62.0	1,973	24,608	23,885	723	700	1,026,000	1,466	71
Kansas	45.1	1,408	17,703	17,215	488	530	763,000	1,440	46
Kentucky	72.9	2,165	26,992	26,234	758	720	958,000	1,331	49
Louisiana	54.7	1,632	20,180	19,549	631	760	1,087,000	1,430	54
Maine	40.6	1,368	17,317	16,897	420	320	431,000	1,347	25
Maryland	64.6	2,285	28,711	27,787	924	780	1,257,000	1,612	55
Massachusetts	210.9	8,099	102,924	100,306	2,618	1,860	3,410,000	1,833	120
Michigan	200.3	7,513	94,480	91,597	2,883	2,590	5,019,000	1,938	135
Minnesota	75.5	2,591	32,202	31,381	821	870	1,451,000	1,668	69
Mississippi	30.8	786	9,555	9,272	283	400	417,000	1,042	32
Missouri	113.3	3,842	48,334	46,941	1,393	1,410	2,161,000	1,533	94
Montana	15.3	508	6,341	6,132	209	180	270,000	1,500	16
Nebraska	26.5	820	10,177	9,885	292	390	484,000	1,241	34
Nevada	4.5	159	2,019	1,948	71	70	98,000	1,400	5
New Hampshire	24.8	870	10,958	10,700	258	230	310,000	1,348	16
New Jersey	182.6	7,146	90,497	87,731	2,766	1,980	3,570,000	1,803	130
New Mexico	11.0	305	3,705	3,585	120	210	207,000	986	13
New York	529.1	20,024	252,850	245,488	7,362	6,470	11,756,000	1,817	475
North Carolina	78.3	2,191	27,283	26,347	936	1,200	1,503,000	1,252	68
North Dakota	7.2	207	2,533	2,461	72	120	154,000	1,283	12
Ohio	284.2	10,521	133,593	129,711	3,882	3,160	5,915,000	1,872	177
Oklahoma	47.3	1,420	17,571	17,079	492	570	814,000	1,428	44
Oregon	58.4	2,050	25,814	25,184	630	520	869,000	1,671	40
Pennsylvania	401.0	15,108	191,629	186,397	5,232	4,110	7,342,000	1,786	224
Puerto Rico	.8	22	216	203	13	(6)	(6)	(6)	14
Rhode Island	36.1	1,375	17,520	17,051	469	350	581,000	1,660	19
South Carolina	40.1	1,070	13,362	12,844	518	510	740,000	1,451	38
South Dakota	9.5	284	3,520	3,402	118	130	178,000	1,369	18
Tennessee	68.4	1,951	24,250	23,479	771	880	1,246,000	1,416	60
Texas	144.6	4,352	53,979	52,149	1,830	2,500	3,442,000	1,377	188
Utah	16.7	546	6,821	6,633	188	220	306,000	1,391	12
Vermont	13.6	456	5,739	5,618	121	120	156,000	1,300	10
Virginia	74.5	2,293	28,660	27,732	928	810	1,284,000	1,585	69
Virgin Islands	(8)	1	12	12	(9)	(6)	(6)	(6)	0
Washington	88.4	3,214	40,485	39,526	959	760	1,328,000	1,747	56
West Virginia	69.0	2,260	28,309	27,645	664	620	1,065,000	1,718	34
Wisconsin	105.7	3,743	47,144	45,794	1,350	1,170	2,068,000	1,768	87
Wyoming	5.9	196	2,457	2,382	75	90	121,000	1,344	8
Foreign	20.7	805	9,299	9,162	137	(6)	(6)	(6)	(7)

[1] State distribution estimated.

[2] Preliminary estimate. Totals represent number of different workers employed in covered industries at some time during 1949, 1950, and 1951, respectively. State data represent workers employed in the State at some time during 1950, workers employed in more than 1 State counted once in each of the States in which employed.

[3] Preliminary estimate. Totals are for 1949, 1950, and 1951, respectively. State data represent 1950 taxable earnings distributed according to the State in which earned.

[4] Employer returns for July-September 1949, 1950, and 1951, respectively. State data represent number of employers reporting taxable wages for July-September 1951 by the State of their reporting headquarters. An employer with a legal entity such as a corporation, partnership, or single ownership, for which a single tax return is filed.

[5] See column heads for period to which data relate.

[6] Employment not covered prior to 1951.

[7] Data not available. [8] Less than 50. [9] Less than $500.

Table 5.—*Old-age and survivors insurance: Benefits in current-payment status, payments certified, and workers with wage credits, fiscal years 1950–52*

[Corrected to Oct. 28, 1952]

Item	Fiscal year		
	1952	1951	1950
Benefits in current-payment status (end of period):			
Number	4, 593, 801	4, 033, 583	2, 930, 357
Old-age	2, 372, 308	2, 090, 668	1, 384, 823
Wife's or husband's	668, 297	596, 098	419, 123
Child's	896, 820	787, 311	665, 351
Widow's or widower's	421, 730	350, 343	290, 307
Mother's	214, 030	192, 357	156, 664
Parent's	20, 616	16, 806	14, 089
Total monthly amount	$161, 739, 397	$143, 708, 778	$60, 681, 500
Old-age	$99, 591, 517	$89, 000, 025	$36, 415, 828
Wife's or husband's	$15, 169, 588	$13, 674, 014	$5, 840, 022
Child's	$24, 008, 878	$21, 282, 368	$8, 828, 736
Widow's or widower's	$15, 161, 777	$12, 683, 323	$6, 079, 758
Mother's	$7, 053, 163	$6, 452, 784	$3, 322, 210
Parent's	$754, 475	$616, 264	$194, 946
Average monthly amount:			
Old-age	$41. 98	$42. 57	$26. 30
Wife's or husband's	$22. 70	$22. 94	$13. 93
Child's	$26. 77	$27. 03	$13. 27
Widow's or widower's	$35. 95	$36. 20	$20. 94
Mother's	$32. 95	$33. 55	$21. 21
Parent's	$36. 60	$36. 67	$13. 84
Payments certified during period:			
Monthly benefits	$1,976,302,716	$1,564,557,986	$714, 939, 181
Old-age	$1,221,993,921	$961, 559, 863	$427, 112, 452
Supplementary	$198, 803, 036	$159, 616, 144	$73, 746, 725
Survivor	$555, 505, 759	$443, 381, 979	$214, 080, 004
Lump-sum payments	$58, 270, 054	$45, 473, 616	$33, 997, 625
Estimated number of living workers with wage credits (mid-point of period—Jan. 1): [1]			
Total	88, 900, 000	82, 600, 000	80, 600, 000
Fully insured	62, 300, 000	59, 600, 000	40, 100, 000
Currently but not fully insured	(2)	(2)	5, 600, 000
Uninsured	26, 600, 000	23, 000, 000	34, 900, 000

[1] Estimates of insured workers have not been adjusted to reflect changes in insurance status arising from: (1) provisions that coordinate the old-age and survivors insurance and railroad retirement programs, and (2) wage credits for military service. Estimates are only partially adjusted to eliminate duplicate count of persons with taxable earnings reported on more than 1 account number. The effect of such duplication is substantially less significant for insured workers than for uninsured workers.

[2] Not possible under the 1950 amendments until July 1, 1954.

Table 6.—*Maternal and child health and welfare services: Grants to States for maternal and child health services, services for crippled children, and child welfare services under the Social Security Act, by program and State, fiscal year 1952* [1]

[In thousands]

State	Maternal and child health services			Services for crippled children			Child welfare services
	Total	Fund A	Fund B	Total	Fund A	Fund B	
United States	$12,676.8	$6,415.5	$6,261.3	$11,109.5	$5,416.8	$5,692.7	$7,245.4
Alabama	479.6	134.2	345.4	414.2	124.6	289.6	298.7
Alaska	124.6	49.3	75.3	118.1	48.4	69.7	49.4
Arizona	165.8	96.2	69.6	−1.7	−1.7		64.5
Arkansas	252.0	93.5	158.5	294.0	93.6	200.4	121.6
California	437.4	303.1	134.3	299.1	243.5	55.6	291.9
Colorado	213.3	80.1	133.2	130.2	75.1	55.1	79.3
Connecticut	119.1	90.7	28.4	177.2	84.1	93.1	113.8
Delaware	88.5	53.0	35.5	71.4	49.4	22.0	51.6
District of Columbia	145.0	66.4	78.6	149.5	57.7	91.8	42.3
Florida	261.3	110.4	150.9	183.1	101.6	81.5	129.9
Georgia	499.6	143.5	356.1	351.2	131.1	220.1	230.4
Hawaii	129.1	60.4	68.7	164.6	58.2	106.4	43.1
Idaho	89.7	62.3	27.4	97.2	60.3	36.9	39.2
Illinois	316.8	244.4	72.4	312.7	194.3	118.4	196.8
Indiana	256.9	149.3	107.6	138.4	92.8	45.6	75.9
Iowa	164.9	104.8	60.1	240.1	102.2	137.9	206.7
Kansas	134.4	91.5	42.9	131.1	90.0	41.1	118.4
Kentucky	383.2	125.6	257.6	395.8	117.8	278.0	263.8
Louisiana	333.9	124.8	209.1	257.6	109.3	148.3	212.3
Maine	110.1	77.7	32.4	107.0	67.1	39.9	73.8
Maryland	274.2	101.8	172.4	243.1	92.4	150.7	110.8
Massachusetts	275.4	146.0	129.4	184.8	134.1	50.7	72.4
Michigan	414.2	234.2	180.0	312.4	182.7	129.7	196.2
Minnesota	217.5	123.2	94.3	229.5	110.2	119.3	151.9
Mississippi	347.2	120.6	226.6	315.1	111.0	204.1	264.1
Missouri	254.1	145.8	108.3	215.0	94.1	120.9	188.6
Montana	71.5	44.0	27.5	96.4	41.8	54.6	43.2
Nebraska	106.6	95.5	11.1	127.2	84.0	43.2	23.5
Nevada	61.1	33.7	27.4	55.6	33.6	22.0	25.7
New Hampshire	90.4	63.9	26.5	70.3	52.9	17.4	50.0
New Jersey	187.6	163.1	24.5	217.3	135.3	82.0	69.1
New Mexico	125.5	68.3	57.2	86.1	64.1	22.0	98.0
New York	449.7	362.0	87.7	365.8	315.4	50.4	99.3
North Carolina	599.2	159.0	440.2	461.8	141.8	320.0	283.1
North Dakota	91.0	63.5	27.5	83.2	61.2	22.0	39.9
Ohio	417.8	244.5	173.3	325.2	202.7	122.5	152.9
Oklahoma	197.4	122.4	75.0	312.0	98.4	213.6	178.9
Oregon	110.4	82.9	27.5	97.3	75.3	22.0	80.8
Pennsylvania	491.0	281.4	209.6	350.2	206.9	143.3	315.3
Puerto Rico	372.1	138.9	233.2	315.3	118.6	196.7	228.0
Rhode Island	82.0	58.6	23.4	116.9	50.0	66.9	40.6
South Carolina	271.1	107.0	164.1	316.6	103.7	212.9	95.0
South Dakota	69.5	43.0	26.5	91.1	61.1	30.0	92.3
Tennessee	452.6	132.6	320.0	350.8	124.8	226.0	311.7
Texas	552.3	258.0	294.3	484.6	216.5	268.1	413.8
Utah	138.9	79.0	59.9	103.4	64.9	38.5	62.7
Vermont	76.6	55.3	21.3	72.9	53.4	19.5	57.5
Virgin Islands	70.7	43.2	27.5	63.2	41.2	22.0	31.1
Virginia	333.8	132.7	201.1	324.7	120.4	204.3	201.3
Washington	184.2	104.9	79.3	159.3	90.7	68.6	130.6
West Virginia	260.4	112.0	148.4	216.6	96.8	119.8	204.6
Wisconsin	236.8	169.6	67.2	276.1	120.5	155.6	186.3
Wyoming	88.8	63.7	25.1	38.9	16.9	22.0	42.8

[1] Based on checks issued less refunds.

Table 7.—*Special types of public assistance under plans approved by the Social Security Administration: Number of recipients and average payment, June 1952, and total payments to recipients, by program and State, fiscal year 1952*

[Corrected to Oct. 20, 1952]

State	Old-age assistance			Aid to dependent children						Aid to the blind			Aid to the permanently and totally disabled [1]		
	Number of recipients, June	Payments to recipients		Number of recipients, June			Payments to recipients			Number of recipients, June	Payments to recipients		Number of recipients, June	Payments to recipients	
		Average payment, June	Total,[2] fiscal year (in thousands)	Families	Total [3]	Children	Average payment per family, June	Average payment per recipient, June	Total,[2] fiscal year (in thousands)		Average payment, June	Total,[2] fiscal year (in thousands)		Average payment, June	Total,[2] fiscal year (in thousands)
Fiscal year:															
1950	2, 790, 068	$43. 85	$1,437,982	654, 180	----------	1, 659, 665	$70. 37	----------	$520, 312	77, 171	$47. 52	$42, 240	----------	----------	----------
1951	2, 745, 344	43. 22	1, 472, 544	632, 664	2, 170, 308	1, 617, 029	73. 32	$21. 37	567, 670	94, 220	46. 96	52, 983	104, 230	$44. 87	$32, 512
1952	2, 659, 661	45. 19	1, 487, 605	589, 940	2, 041, 447	1, 527, 279	75. 88	21. 93	547, 253	97, 651	49. 99	58, 184	145, 345	46. 06	75, 067
Alabama	72, 445	21. 55	19, 648	18, 099	65, 141	50, 746	35. 29	9. 81	7, 715	1, 505	24. 30	434	8, 547	22. 75	2, 282
Alaska	1, 649	56. 78	1, 119	768	2, 496	1, 813	74. 17	22. 84	618	29	(4)	7	----------	----------	----------
Arizona	13, 979	49. 61	8, 352	3, 617	13, 663	10, 265	74. 85	19. 82	3, 261	707	54. 37	485	----------	----------	----------
Arkansas	57, 946	23. 84	15, 376	13, 099	48, 348	36, 950	42. 30	11. 46	6, 051	1, 881	29. 33	607	223	26. 91	13
California	273, 245	66. 20	218, 711	54, 719	171, 596	129, 427	117. 08	37. 33	74, 915	11, 582	81. 38	11, 175	----------	----------	----------
Colorado	51, 667	70. 56	45, 356	5, 006	18, 424	13, 942	98. 70	26. 82	5, 955	343	63. 97	262	3, 725	51. 55	2, 063
Connecticut	17, 279	62. 57	15, 851	4, 580	15, 081	10, 995	106. 30	32. 28	7, 345	309	70. 29	284	----------	----------	----------
Delaware	1, 738	35. 00	621	739	2, 856	2, 195	83. 35	21. 57	701	224	46. 23	120	140	47. 81	62
District of Columbia	2, 742	52. 55	1, 633	1, 996	8, 192	6, 386	105. 88	25. 80	2, 419	258	55. 48	164	1, 277	59. 21	772
Florida	67, 173	38. 66	31, 370	17, 566	57, 850	43, 211	47. 74	14. 50	10, 450	3, 141	42. 87	1, 601	----------	----------	----------
Georgia	95, 271	31. 25	33, 640	18, 460	61, 670	47, 131	50. 94	15. 25	11, 985	2, 973	36. 25	1, 194	----------	----------	----------
Hawaii	2, 185	33. 57	898	3, 173	11, 718	9, 148	83. 78	22. 69	3, 190	104	40. 25	54	1, 114	47. 05	569
Idaho	9, 247	50. 82	5, 562	2, 107	7, 307	5, 381	112. 06	32. 31	2, 821	199	54. 68	131	807	52. 55	464
Illinois	109, 847	41. 53	68, 672	22, 485	80, 862	60, 053	110. 52	30. 73	30, 549	3, 961	48. 98	2, 707	3, 010	41. 66	1, 660
Indiana	42, 925	36. 24	22, 586	8, 319	27, 964	20, 716	67. 75	20. 15	7, 623	1, 713	39. 21	927	----------	----------	----------
Iowa	47, 805	51. 67	29, 416	5, 399	18, 988	14, 129	106. 10	30. 17	6, 335	1, 281	61. 62	947	----------	----------	----------
Kansas	37, 012	52. 75	23, 035	4, 113	14, 593	11, 062	91. 17	25. 69	4, 571	602	55. 00	399	2, 713	51. 59	1, 465
Kentucky	61, 709	29. 54	22, 983	19, 827	70, 216	51, 883	41. 86	11. 82	10, 616	2, 525	31. 35	951	----------	----------	----------
Louisiana	120, 604	50. 00	68, 436	22, 544	82, 872	61, 788	63. 85	17. 37	15, 908	1, 916	46. 40	1, 022	14, 942	40. 47	6, 735
Maine	14, 086	43. 19	7, 470	4, 416	15, 346	11, 113	73. 07	21. 03	3, 880	588	45. 90	333	----------	----------	----------
Maryland	11, 276	41. 50	5, 504	4, 989	19, 252	14, 722	90. 08	23. 34	5, 282	461	47. 40	261	2, 692	47. 28	1, 399
Massachusetts	98, 076	69. 73	83, 304	13, 078	43, 082	31, 756	114. 69	34. 82	18, 406	1, 662	80. 32	1, 462	5, 304	61. 68	2, 802

Michigan	91, 164	48. 57	53, 569	25, 370	82, 218	58, 561	97. 70	30. 15	28, 044	1, 854	53. 87	1, 177	1, 090	57. 63	731
Minnesota	54, 430	45. 71	38, 278	7, 680	26, 100	19, 911	98. 80	29. 07	9, 668	1, 138	61. 94	917			
Mississippi	57, 586	21. 05	13, 525	10, 644	40, 274	30, 995	25. 03	6. 61	2, 823	2, 846	25. 89	825	920	19. 28	167
Missouri	131, 377	45. 63	69, 073	21, 679	73, 584	54, 258	52. 55	15. 48	14, 118	3, 290	50. 00	1, 809	11, 562	46. 68	5, 712
Montana	11, 030	51. 50	7, 001	2, 274	7, 937	5, 900	87. 97	25. 20	2, 431	519	56. 79	360	1, 107	56. 26	686
Nebraska	20, 595	42. 84	13, 947	2, 699	9, 214	6, 800	90. 05	26. 38	3, 239	723	60. 78	572			
Nevada	2, 716	54. 34	1, 819	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)			
New Hampshire	6, 990	43. 37	4, 408	1, 398	4, 848	3, 548	102. 63	29. 60	2, 008	301	49. 40	205	17	(4)	2
New Jersey	21, 892	54. 15	13, 819	5, 164	17, 192	13, 021	100. 92	30. 31	6, 178	818	61. 55	567	1, 610	62. 30	614
New Mexico	10, 784	42. 25	5, 154	5, 369	18, 451	14, 323	62. 44	18. 17	3, 611	461	38. 93	220	2, 246	40. 64	913
New York	113, 375	55. 40	90, 464	51, 931	175, 669	125, 595	111. 45	32. 95	75, 223	4, 109	64. 01	3, 698	30, 408	60. 68	24, 467
North Carolina	51, 412	24. 61	15, 379	17, 156	62, 406	47, 944	48. 21	13. 25	9, 453	4, 436	34. 57	1, 820	5, 200	27. 87	1, 357
North Dakota	8, 805	51. 38	5, 707	1, 567	5, 528	4, 180	97. 74	27. 71	1, 827	112	57. 70	75	653	58. 74	424
Ohio	114, 917	49. 16	69, 499	13, 170	48, 833	36, 845	72. 77	19. 63	11, 566	3, 752	49. 00	2, 207	5, 153	44. 72	2, 227
Oklahoma	95, 114	52. 32	56, 816	19, 518	65, 780	49, 578	70. 87	21. 03	17, 581	2, 512	51. 77	1, 594	2, 691	51. 68	633
Oregon	22, 460	57. 64	15, 366	3, 376	11, 398	8, 560	105. 83	31. 35	4, 128	381	67. 74	310	1, 898	70. 12	1, 379
Pennsylvania	71, 928	39. 22	37, 612	30, 077	110, 631	82, 971	87. 89	23. 90	36, 946	15, 615	49. 65	8, 544	9, 782	44. 91	5, 832
Puerto Rico	36, 940	7. 50	2, 285	27, 020	81, 036	61, 308	9. 09	3. 03	1, 864	740	7. 34	48	6, 538	8. 64	288
Rhode Island	9, 356	48. 64	5, 440	3, 311	11, 047	7, 963	96. 41	28. 90	3, 746	186	59. 82	128	279	64. 75	135
South Carolina	42, 497	27. 31	13, 364	6, 697	24, 873	19, 307	47. 18	12. 70	3, 341	1, 591	28. 37	535	4, 655	31. 76	1, 392
South Dakota	11, 796	42. 09	5, 924	2, 609	8, 469	6, 346	72. 11	22. 21	2, 177	204	39. 62	99	228	42. 08	62
Tennessee	59, 535	32. 74	22, 514	20, 058	72, 552	54, 462	48. 85	13. 50	12, 118	2, 807	39. 48	1, 262			
Texas	218, 636	33. 71	87, 261	15, 775	61, 528	45, 997	51. 98	13. 33	9, 918	6, 026	37. 82	2, 694			
Utah	9, 717	55. 43	6, 312	2, 840	9, 832	7, 266	108. 16	31. 24	3, 805	221	60. 43	154	1, 536	57. 96	1, 047
Vermont	6, 992	40. 02	3, 279	1, 018	3, 573	2, 765	54. 00	15. 39	655	172	44. 19	92	206	42. 56	94
Virgin Islands	679	10. 98	90	222	714	633	16. 30	5. 07	42	45	(4)	6	21	(5)	3
Virginia	18, 604	23. 17	5, 205	7, 519	28, 166	21, 441	52. 92	14. 13	4, 864	1, 448	31. 25	551	3, 190	33. 52	1, 085
Washington	66, 894	62. 22	51. 074	9, 009	30, 058	21, 868	104. 84	31. 42	11, 190	830	77. 37	759	5, 302	62. 44	3, 850
West Virginia	26, 232	28. 36	8, 389	16, 874	61, 994	47, 985	59. 84	16. 29	11, 813	1, 124	33. 49	417	3, 127	32. 24	658
Wisconsin	51, 115	49. 12	32, 634	8, 319	28, 201	20, 765	112. 09	33. 06	11, 622	1, 331	54. 85	949	969	63. 57	721
Wyoming	4, 187	55. 56	2, 854	498	1, 824	1, 371	100. 55	27. 45	657	95	53. 65	62	463	53. 97	303

[1] Program initiated in October 1950 under Public Law 734.
[2] For fiscal years 1951 and 1952, expenditures include vendor payments for medical care.
[3] Beginning October 1950, includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 adult were considered in determining the amount of assistance.
[4] Average payment not computed on base of less than 50 recipients.
[5] No approved plan in operation.

Table 8.—*Special types of public assistance under plans approved by the Social Security Administration: Federal grants to States and total expenditures and percent from Federal funds, by program and State, fiscal year 1952* [1]

[Amounts in thousands; June 30, 1952]

State	Federal grants to States [2]					Expenditures for assistance and administration							
	Total	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to the permanently and totally disabled [3]	Old-age assistance		Aid to dependent children		Aid to the blind		Aid to the permanently and totally disabled [3]	
						Amount	Percent from Federal funds	Amount	Percent from Federal funds	Amount	Percent from Federal funds	Amount	Percent from Federal funds
Fiscal year:													
1950	$1, 123, 418	$843, 161	$256, 087	$24, 169		$1, 510, 933	54. 6	$559, 905	44. 1	$45, 551	51. 7		
1951	1, 185, 764	826, 075	316, 477	26, 195	$17, 017	1, 549, 196	53. 7	613, 924	50. 8	56, 818	46. 4	$38, 014	47. 1
1952	1, 177, 688	799, 845	303, 280	29, 397	45, 165	1, 572, 753	52. 5	598, 633	52. 0	62, 939	47. 0	85, 920	49. 2
Alabama	23, 293	15, 186	6, 113	333	1, 662	21, 137	71. 7	8, 469	72. 8	481	68. 9	2, 490	70. 4
Alaska	929	556	373	(4)		1, 193	48. 9	676	56. 4	11	52. 6		
Arizona	7, 907	5, 166	2, 464	277		8, 645	55. 6	3, 470	67. 7	510	52. 1		
Arkansas	15, 966	11, 335	4, 197	407	28	16, 121	71. 9	6, 358	73. 8	642	67. 6	20	62. 2
California	123, 005	89, 785	29, 328	3, 891		229, 035	43. 7	83, 066	39. 6	11, 997	35. 6		
Colorado	20, 660	16, 008	3, 097	116	1, 438	46, 700	37. 3	6, 446	51. 2	290	45. 2	2, 270	52. 9
Connecticut	10, 097	6, 767	3, 211	119		16, 665	38. 9	7, 813	38. 2	297	37. 4		
Delaware	1, 084	472	495	80	37	700	63. 9	779	58. 7	142	56. 2	66	57. 5
District of Columbia	2, 819	927	1, 360	89	443	1, 800	53. 7	2, 629	53. 8	176	52. 3	827	50. 8
Florida	29, 639	20, 215	8, 408	1, 015		32, 635	62. 5	11, 382	70. 4	1, 676	61. 6		
Georgia	33, 748	23, 767	9, 030	841	110	35, 912	65. 9	12, 705	69. 1	1, 265	63. 8		
Hawaii	2, 759	591	1, 732	35	400	988	61. 1	3, 525	54. 0	63	56. 3	627	49. 9
Idaho	4, 671	3, 067	1, 257	68	278	5, 853	53. 3	2, 973	44. 0	139	49. 0	512	52. 1
Illinois	53, 211	36, 711	14, 120	1, 509	871	74, 033	50. 3	32, 959	44. 2	3, 024	48. 9	1, 870	45. 3
Indiana	19, 035	13, 578	4, 849	607		24, 303	55. 6	8, 404	59. 4	1, 062	55. 3		
Iowa	19, 066	15, 531	3, 078	457		31, 198	52. 5	6, 769	46. 2	1, 030	45. 1		
Kansas	16, 112	12, 588	2, 512	204	807	24, 446	52. 6	5, 022	52. 4	435	50. 8	1, 700	51. 7
Kentucky	25, 012	15, 855	8, 511	647		23, 916	66. 2	11, 226	73. 6	987	65. 3		
Louisiana	53, 536	37, 964	10, 621	569	4, 382	71, 215	58. 9	17, 671	66. 1	1, 102	54. 8	7, 546	59. 2
Maine	7, 390	4, 633	2, 555	201		7, 822	61. 1	4, 081	63. 2	351	60. 4		
Maryland	7, 656	3, 374	3, 181	161	941	5, 952	58. 3	5, 741	56. 5	277	57. 2	1, 597	55. 4
Massachusetts	43, 133	34, 137	6, 966	574	1, 456	88, 315	40. 4	19, 685	39. 5	1, 535	38. 2	3, 155	34. 5

Michigan	45,163	30,306	14,015	646	196	56,466	54.6	29,740	47.5	1,230	52.7	765	47.1
Minnesota	22,668	17,532	4,678	458	----	39,937	46.2	10,614	44.6	1,008	42.8	----	----
Mississippi	13,888	10,739	2,388	604	157	14,770	72.4	3,309	71.3	878	69.1	210	69.8
Missouri	62,290	46,683	10,960	668	3,979	71,182	61.1	15,325	68.0	1,970	34.1	6,166	59.6
Montana	5,574	3,729	1,344	195	305	7,396	52.9	2,622	52.4	404	49.8	761	50.1
Nebraska	9,257	7,415	1,575	267	----	14,937	50.9	3,493	50.0	608	44.5	----	----
Nevada	1,023	1,023	(5)	(5)	----	1,967	52.8	(5)	(5)	(5)	(5)	----	----
New Hampshire	3,084	2,150	834	100	----	4,721	50.3	2,137	41.8	217	48.3	2	43.8
New Jersey	10,842	7,238	2,886	309	410	15,752	50.1	6,700	45.0	633	47.4	614	47.0
New Mexico	6,976	3,424	2,715	152	685	5,602	60.4	4,079	67.4	243	63.5	1,110	58.8
New York	88,901	41,192	34,466	1,698	11,545	99,972	43.7	85,470	41.9	4,240	40.5	28,143	41.7
North Carolina	20,706	11,309	7,251	1,288	858	16,388	69.8	10,264	71.0	2,042	63.0	1,569	65.7
North Dakota	4,075	2,863	963	42	206	6,080	49.0	1,962	51.0	88	47.7	468	44.7
Ohio	47,874	36,370	8,377	1,293	1,835	73,089	53.1	12,836	61.4	2,462	54.7	2,608	59.4
Oklahoma	45,476	32,246	11,741	899	590	58,830	55.1	18,308	63.7	1,656	53.7	822	42.1
Oregon	10,582	7,744	2,109	145	584	16,333	47.8	4,642	45.0	331	43.4	1,508	42.5
Pennsylvania	53,302	23,421	21,603	3,641	4,638	41,808	55.7	41,526	50.7	9,117	36.3	7,647	45.9
Puerto Rico	3,526	1,721	1,394	43	367	2,859	50.0	2,433	49.4	79	50.0	543	48.2
Rhode Island	5,292	3,134	2,009	68	80	5,795	51.4	3,960	47.7	136	46.4	154	43.2
South Carolina	13,767	9,679	2,710	393	985	14,213	67.9	3,664	72.6	591	66.2	1,555	64.0
South Dakota	5,439	3,819	1,489	67	64	6,368	61.3	2,342	62.0	107	61.9	86	58.8
Tennessee	25,235	15,371	9,039	825	----	23,838	65.4	13,052	70.8	1,319	62.6	----	----
Texas	67,118	57,884	7,429	1,806	----	90,481	64.6	10,789	71.9	2,882	62.6	----	----
Utah	5,692	3,266	1,802	80	544	6,561	52.1	4,045	45.2	163	49.8	1,106	50.7
Vermont	2,851	2,221	515	62	53	3,419	62.2	703	68.1	96	61.2	100	61.4
Virgin Islands	97	59	31	4	3	112	50.0	54	50.0	8	50.0	5	50.0
Virginia	8,474	3,835	3,611	393	636	5,859	69.1	5,522	68.4	620	64.4	1,297	60.7
Washington	29,982	22,288	4,799	268	2,627	53,046	43.9	11,889	46.4	786	37.8	4,113	44.9
West Virginia	14,899	6,013	8,101	288	497	8,854	67.5	12,230	68.2	438	64.7	757	63.8
Wisconsin	20,998	15,581	4,666	465	286	34,506	48.0	12,354	39.5	1,033	46.4	804	41.1
Wyoming	1,907	1,376	322	29	180	3,028	50.4	720	49.0	66	50.2	326	52.4

[1] For 1951 and 1952 includes vendor payments for medical care.
[2] Based on checks issued; differ slightly from fiscal-year expenditures from Federal funds reported by States.
[3] Program initiated in October 1950 under Public Law 734.
[4] Program approved September 29, 1952 retroactive to October 1, 1951. Federal grant not made until succeeding fiscal year.
[5] No approved plan in operation.

Table 9.—*Federal credit unions: Number of members, amount of assets, amount of shares, and amount of loans outstanding Dec. 31, 1935–51*

Year	Number of reporting credit unions [1]	Number of members	Amount of assets	Amount of shares	Amount of loans
1935	762	118, 665	$2, 368, 521	$2, 224, 608	$1, 830, 489
1936	1, 725	307, 651	9, 142, 943	8, 496, 526	7, 330, 248
1937	2, 296	482, 441	19, 249, 738	17, 636, 414	15, 683, 676
1938	2, 753	631, 436	29, 621, 501	26, 869, 367	23, 824, 703
1939	3, 172	849, 806	47, 796, 278	43, 314, 433	37, 663, 782
1940	3, 739	1, 126, 222	72, 500, 539	65, 780, 063	55, 801, 026
1941	4, 144	1, 396, 696	105, 656, 839	96, 816, 948	69, 249, 487
1942	4, 070	1, 347, 519	119, 232, 893	109, 498, 801	42, 886, 750
1943	3, 859	1, 302, 363	126, 948, 085	116, 988, 974	35, 228, 153
1944	3, 795	1, 303, 801	144, 266, 156	133, 586, 147	34, 403, 467
1945	3, 757	1, 216, 625	153, 103, 120	140, 613, 962	35, 155, 414
1946	3, 761	1, 302, 132	173, 166, 459	159, 718, 040	56, 800, 937
1947	3, 845	1, 445, 915	210, 375, 571	192, 410, 043	[2] 91, 372, 197
1948	4, 058	1, 628, 339	258, 411, 736	235, 008, 368	137, 642, 327
1949	4, 495	1, 819, 606	316, 362, 504	285, 000, 934	186, 218, 022
1950	4, 984	2, 126, 823	405, 834, 976	361, 924, 778	263, 735, 838
1951	5, 398	2, 463, 898	504, 714, 580	457, 402, 124	299, 755, 775

[1] In the period 1945 through 1951, the number of operating and reporting credit unions was the same. In other years, the number of credit unions which reported was less than the number in operation.
[2] Revised.

Table 10.—*Federal credit unions: Assets and liabilities, Dec. 31, 1951, and Dec. 31, 1950*

Assets and liabilities	Amount			Percentage distribution	
	Dec. 31, 1951	Dec. 31, 1950	Change during year	Dec. 31, 1951	Dec. 31, 1950
Number of operating Federal credit unions	5, 398	4, 984	414		
Total assets	$504, 714, 580	$405, 834, 976	$98, 879, 604	100.0	100.0
Loans to members	299, 755, 775	263, 735, 838	36, 019, 937	59.4	65.0
Cash	63, 574, 011	42, 164, 300	21, 409, 711	12.6	10.4
United States bonds	77, 678, 164	65, 126, 463	12, 551, 701	15.4	16.0
Federal savings and loan shares	53, 776, 524	25, 997, 752	27, 778, 772	10.6	6.4
Loans to other credit unions	6, 470, 564	6, 535, 377	−64, 813	1.3	1.6
Other assets	3, 459, 542	2, 275, 246	1, 184, 296	.7	.6
Total liabilities	504, 714, 580	405, 834, 976	98, 879, 604	100.0	100.0
Notes payable	8, 686, 559	13, 271, 792	−4, 585, 233	1.7	3.3
Accounts payable and other liabilities	1, 244, 784	1, 000, 365	244, 419	.3	.3
Shares	457, 402, 124	361, 924, 778	95, 477, 346	90.6	89.2
Reserve for bad loans	15, 542, 645	12, 356, 142	3, 186, 503	3.1	3.0
Special reserve for delinquent loans	736, 062	563, 212	172, 850	.1	.1
Undivided profits	21, 102, 406	16, 718, 687	4, 383, 719	4.2	4.1

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